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May 16, 1955



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The Department of State bulletin

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May 16, 1955

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Federal Republic of Germany Gains Sovereignty, Accedes to North Atlantic Treaty

With the entry into force of the Convention on Relations Between the Three Powers [United States, United Kingdom, and France] and the Federal Republic of Germany on May 5, the Allied occupation came to an end and the Federal Republic attained sovereign status. On May 6 the Federal Republic deposited its instrument of accession to the North Atlantic Treaty and Ambassador Heinz L. Krekeler presented his credentials to the President.

Following are texts of a proclamation, issued at Bonn, abolishing the Allied High Commission; a statement by the Bonn Government on its new status; an Executive order relating to the new authority and functions of U.S. representatives in Germany; and statements made on the occasion of the deposit of Germany's instrument of accession to the North Atlantic Treaty, and on the occasion of the German Ambassador's presentation of his credentials.

ALLIED HIGH COMMISSION'S PROCLAMATION

HICOG press release dated May 5

WHEREAS a new relationship between the French Republic, the United States of America, and the United Kingdom of Great Britain and Northern Ireland, on the one hand, and the Federal Republic of Germany, on the other, has been established by the Convention on Relations between the Three Powers and the Federal Republic of Germany and the Related Conventions which were signed at Bonn on 26 May 1952,¹ were amended by the Protocol on the Termination of the Occupation Regime in the Federal Republic

¹ S. Execs. Q and R, 82d Cong., 2d sess.

of Germany signed at Paris on 23 October 1954,² and enter into force today,

NOW THEREFORE, We,

André François-Poncet, French High Commissioner for Germany,

James B. Conant, United States High Commissioner for Germany,

Frederick Robert Hoyer Millar, United Kingdom High Commissioner for Germany,

Acting on behalf of, and duly authorized by, our Governments,

DO HEREBY JOINTLY PROCLAIM:

THAT the Occupation Statute³ is revoked; and

THAT the Allied High Commission and the Offices of the Land Commissioners in the Federal Republic are abolished.

This Proclamation shall take effect at noon on the fifth day of May 1955.

Done at BONN, Mehlem, this 5th day of May 1955

A. FRANÇOIS-PONCET

JAMES B. CONANT

F. R. HOYER MILLAR

FEDERAL REPUBLIC'S STATEMENT, MAY 5

Today, almost ten years after the military and political collapse of National Socialism, the occupation period ends for the Federal Republic. With deep satisfaction the Federal Government can affirm: we are a free and independent state. What has long been in preparation on the basis of growing trust has now become a legally valid fact: we stand as free men among free men, linked in

² S. Execs. L and M, 83d Cong., 2d sess. For a review by Secretary Dulles of the amended Convention on Relations, see BULLETIN of Apr. 11, 1955, p. 605.

³ Ibid., Apr. 17, 1949, p. 500.

true partnership with the former occupying powers.

Together with the Federal Government, 50,000,000 free citizens of the Federal Republic think in brotherly association of the millions of Germans who are forced to live separated from us without freedom and without justice. We call to them: You belong to us, we belong to you. The joy of our regained freedom is spoiled as long as this freedom is withheld from you. You can always rely on us, because together with the free world, we shall never rest until you have recovered your rights as human beings and live peacefully united with us in one state.

In this hour we think of the many Germans who still must bear the hard lot of prisoners of war. We will do everything we can so that for you, too, the hour of liberation will soon strike.

Freedom brings duties with it. Internally there is only one road for us, the road of the legal state, of democracy and social justice. There is only one place for us in the world: at the side of the free peoples.

Our goal is: a free united Germany in a free and united Europe.

EXECUTIVE ORDER ON U.S.-GERMAN RELATIONS

White House press release dated May 5

The President on May 5 signed an Executive order which prescribes the division of authority and functions of the United States representatives in Germany. This Executive order will come into effect as soon as the Convention on Relations Between the Three Powers and the Federal Republic of Germany comes into force. This order will replace Executive Order 10062 of June 6, 1949,⁴ as amended by Executive Order 10144 of July 21, 1950.⁵ The new Executive order is very similar to those it revokes except that, where there were originally references to the United States High Commissioner for Germany, the new Executive order refers to the Chief of the United States Diplomatic Mission to the Federal Republic of Germany. As the Convention on Relations Between the Three Powers and the Federal Republic of Germany provides that the Allied High Com-

mission will be abolished, the new Executive order also abolishes the position of United States High Commissioner for Germany.

The Executive order defines the respective authority and functions of the Ambassador on the one hand and the United States Military Commander on the other. This is necessary because the United States will continue to have occupation powers and functions relating to Berlin and to Germany as a whole as distinguished from the relationship between the United States and the Federal Republic of Germany which will be governed by the conventions referred to above.

Text of Executive Order 10608⁶

UNITED STATES AUTHORITY AND FUNCTIONS IN GERMANY

By virtue of the authority vested in me by the Constitution and the statutes, including the Foreign Service Act of 1946 (60 Stat. 999), as amended, and as President of the United States and Commander in Chief of the armed forces of the United States, it is ordered as follows:

1. Executive Order No. 10062 of June 6, 1949, and Executive Order No. 10144 of July 21, 1950, amending that order, are hereby revoked, and the position of United States High Commissioner for Germany, established by that order, is hereby abolished.

2. The chief of the United States Diplomatic Mission to the Federal Republic of Germany, hereinafter referred to as the Chief of Mission, shall have supreme authority, except as otherwise provided herein, with respect to all responsibilities, duties, and governmental functions of the United States in all Germany. The Chief of Mission shall exercise his authority under the supervision of the Secretary of State and subject to ultimate direction by the President.

3. The United States Military Commander having area responsibility in Germany, hereinafter referred to as the Commander, shall have authority with respect to all military responsibilities, duties, and functions of the United States in all Germany, including the command, security, and stationing of United States forces in Germany, the assertion and exercise of their rights and discharge of their obligations therein, and emergency measures which he may consider essential for their protection or the accomplishment of his mission. The Commander may delegate the authority conferred upon him. If action by the Commander or any representative of the Commander, pursuant to the authority herein conferred, affects the foreign policy of the United States or involves relations or negotiations with non-military German authorities, such action shall be taken only after consultation with and agreement by the Chief of Mission or pursuant to

⁴ *Ibid.*, June 26, 1949, p. 828.

⁵ *Ibid.*, July 31, 1950, p. 191.

⁶ 20 Fed. Reg. 3093.

procedures previously agreed to between the Chief of Mission and the Commander or his representative. Either the Chief of Mission or the Commander may raise with the other any question which he believes requires such consultation. If agreement is not reached between them, any differences may be referred to the Department of State and the Department of Defense for resolution.

4. The Chief of Mission and the Commander or his designated representatives shall, to the fullest extent consistent with their respective missions, render assistance and support to each other in carrying out the agreements and policies of the United States.

5. With regard to the custody, care, and execution of sentences and disposition (including pardon, clemency, parole, or release) of war criminals confined or hereafter to be confined in Germany as a result of conviction by military tribunals (A) the Chief of Mission shall share the four-power responsibility in the case of persons convicted by the International Military Tribunal, (B) the Chief of Mission shall exercise responsibility in the case of persons convicted by military tribunals established by the United States Military Governor pursuant to Control Council Law No. 10, and (C) the Commander shall exercise responsibility in the case of persons convicted by other military tribunals established by United States Military Commanders in Germany and elsewhere. The Commander shall, on request of the Chief of Mission, take necessary measures for carrying into execution any sentences adjudged against such persons in category (B) as to whom the Chief of Mission has responsibility and control. Transfer of custody of persons in categories (B) and (C) to the Federal Republic of Germany as provided in the Convention on the Settlement of Matters Arising out of the War and Occupation shall terminate the responsibility of the Chief of Mission and the Commander with respect to such persons to the extent that the responsibility of the United States for them is thereupon terminated pursuant to the provisions of the said Convention.

6. If major differences arise over matters affecting the United States Forces in Germany, such differences may be referred to the Department of State and the Department of Defense for resolution.

7. This order shall become effective on the date that the Convention on Relations between the Three Powers and the Federal Republic of Germany and related Conventions, as amended, come into force.



THE WHITE HOUSE,
May 5, 1955.

ACCESSION TO NORTH ATLANTIC TREATY

Press release 246 dated May 6

Following are the remarks made by Secretary Dulles and Ambassador Heinz L. Krekeler on the occasion of the deposit by the Federal Republic

May 16, 1955

of Germany of its instrument of accession to the North Atlantic Treaty on May 6.

Secretary Dulles

MR. AMBASSADOR: It is with great satisfaction that I receive this instrument. By it the Federal Republic of Germany joins the North Atlantic Treaty.

This act reflects the recovery of sovereignty by a people, the German people, who have demonstrated that they can, if they will, be great in the best sense of that word. Also, it reflects the exercise of that sovereignty to perfect a fellowship with other sovereign nations and to create unity out of what has been diversity.

This pattern of national action is symbolic of what we seek for each and every individual. We believe that each human being should be free and not subject to arbitrary political coercion. We also believe that each should recognize the duty imposed by a Power above us to exercise his freedom with a decent regard for the common good.

Because of what we do here, and its profound significance, I shall be in a mood of rejoicing as I leave to attend the historic meeting of the North Atlantic Treaty Council, which will now include Germany, to be represented there by her great Chancellor Konrad Adenauer.

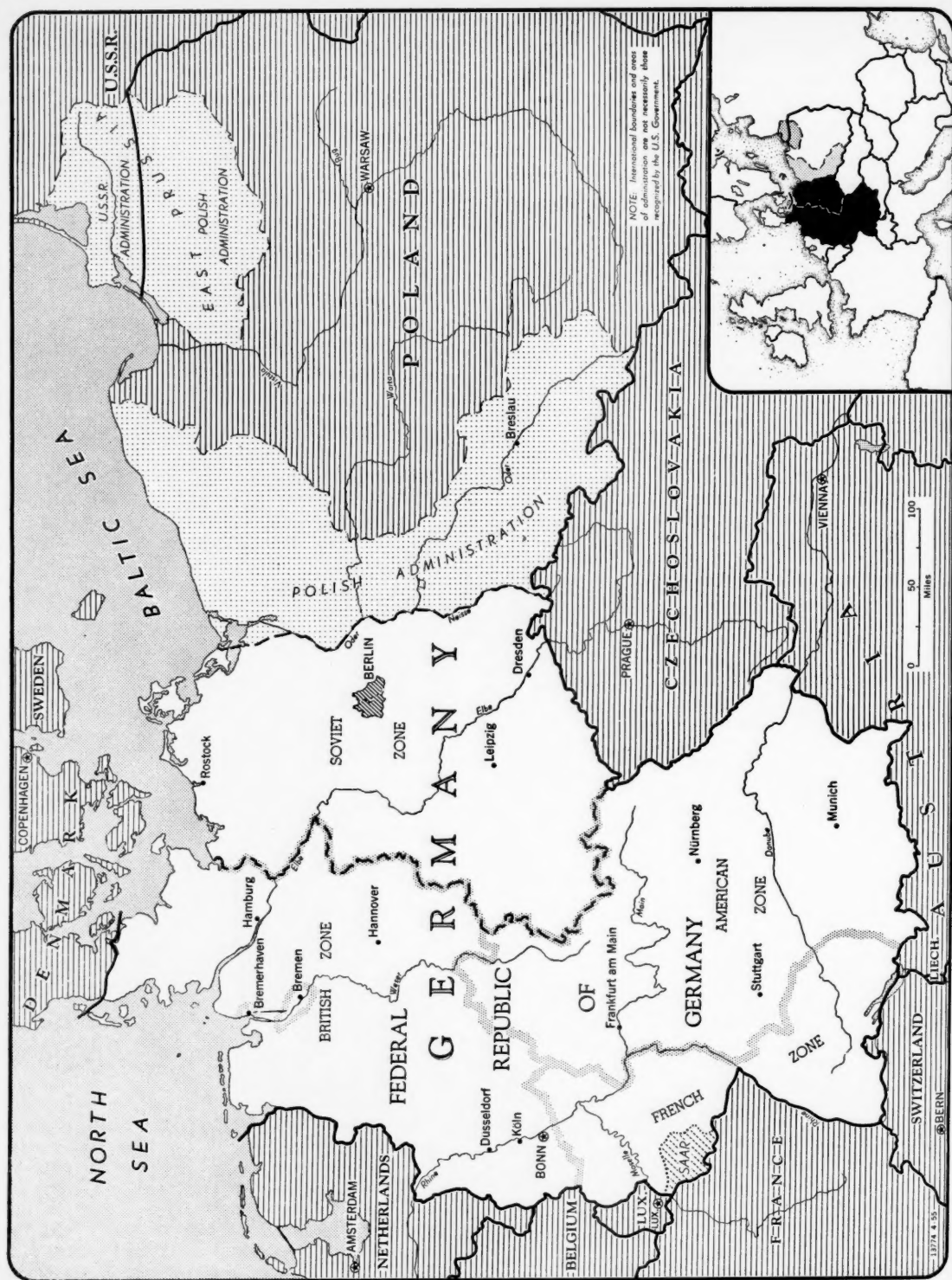
Ambassador Krekeler

MR. SECRETARY: I have the honor to deliver to you on behalf of my Government the document of accession of the Federal Republic of Germany to the North Atlantic Treaty Organization.

The Federal Republic of Germany thus accepts the invitation extended by the members of the Atlantic community.⁷

⁷ Article I of the Protocol to the North Atlantic Treaty on the Accession of the Federal Republic of Germany (BULLETIN of Nov. 15, 1954, p. 719) states: "Upon the entry into force of the present Protocol, the Government of the United States of America shall on behalf of all the Parties communicate to the Government of the Federal Republic of Germany an invitation to accede to the North Atlantic Treaty. Thereafter the Federal Republic of Germany shall become a Party to that Treaty on the date when it deposits its instruments of accession with the Government of the United States of America in accordance with Article 10 of that Treaty."

The Protocol entered into force on May 5 with the deposit by the United Kingdom and France of their ratifications. The invitation to the Federal Republic was extended the following day by Ambassador Conant.



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The German people are grateful that they may enjoy the protection which this important instrument of peace gives to all freedom-loving nations.

They are at the same time aware that this membership brings with it certain obligations. They are prepared to assume and to fulfill these obligations.

On this occasion, Mr. Secretary, I wish to reassure you that it is the desire of the German people in concert with the other members of the Atlantic community to work for the preservation of peace and freedom.

GERMAN AMBASSADOR PRESENTS CREDENTIALS

Following are the texts of remarks made on May 6 by the newly appointed Ambassador of the Federal Republic, Heinz L. Krekeler, upon the presentation to the President of his letter of credence, and of the President's reply.

Press release 245 dated May 6

Ambassador Krekeler

MR. PRESIDENT: I have the honor to present to you herewith my credentials signed by the President of the Federal Republic of Germany in evidence of my appointment to you, Mr. President, as Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany.

It is with a feeling of profound obligation that I must tell you again, Mr. President, how much the German people hold in grateful memory the aid which the United States Government and the American people granted them in the difficult years just passed. This gratitude embraces also the support given Berlin and the genuine understanding brought to the problem of the reunification of Germany.

The German people now enter the Atlantic community. It was through your efforts as Supreme Commander, Mr. President, that this community was organized and thus that the foundation was laid for this structure which so greatly serves the peace and security of the free world. Under the aegis of this community the German people may now carry forward their work for the peaceful reconstruction of their country and may look to the welfare of their citizens.

I can assure you that the German people desire ardently to strengthen and enhance their friendship with the people of the United States. They see in this friendship a guaranty of peace.

The President

MR. AMBASSADOR: It is with great pleasure and satisfaction that I accept the letter of credence from His Excellency, the President of the Federal Republic of Germany, accrediting you as Ambassador Extraordinary and Plenipotentiary to the Government of the United States.

It is especially gratifying that on this unusually happy occasion today, ten years after the end of hostilities between our two countries, your country has become once again a fully sovereign member of the family of nations and will be able to play its role in the councils established to preserve peace and in the organizations established to give strength to the free world. We are glad to be associated with it in the Atlantic community. Although the people of Germany have made remarkable recovery during the last ten years, I recognize that there remains a great task ahead for them and for us: that of unifying the German people. We shall use every opportunity to achieve this goal.

I am especially pleased to welcome you, Mr. Krekeler, as the representative of the new Germany in this country. You have ably represented your country here during the past few years, and have made many friends among the American people and the officials of the Government of the United States. You may be assured that this Government will seek in every way to strengthen the close and cordial relations which now exist between Germany and the United States.

Letters of Credence

Honduras

The newly appointed Ambassador of Honduras, Carlos Izaguirre Valladares, presented his credentials to the President on May 5. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 242.

Poland

The newly appointed Ambassador of Poland, Romuald Spasowski, presented his credentials to the President on May 5. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 241.

The Fundamentals of Collective Security

by Deputy Under Secretary Murphy¹

When I was a young man, most Americans, I think, were inclined to regard foreign policy as an interesting subject for academic discussion but few citizens felt that their personal lives were intimately affected by foreign policy decisions. Somehow the conduct of foreign affairs seemed remote from the processes of daily living and the concern of others.

It is not surprising that these attitudes have changed because the world itself has changed. Fifty years ago this Nation was relatively secure and self-sufficient. Today our security is threatened as never before and our dependence upon other nations has expanded. An increasing number of our citizens are aware that their freedom, their economic well-being, and in fact their very lives depend in large measure upon what happens in other parts of the world. Nor do we need to be reminded, with the deadline for filing income tax returns so recently past, of the tremendous price we are paying to protect our national security in this perilous age.

You may recall a delightful essay by Will Rogers. He was discussing a news report to the effect that the American people were spending approximately \$2 billion each year for bathtubs, soap, and other bathing equipment. He thought this was a rather large sum. He said that if the Father of our Country, George Washington, should come back to earth today and be told that Americans are spending \$2 billion annually for bathing supplies, he would probably ask: "What in Hell got them so dirty?" In the same way, perhaps, distinguished statesmen of the past might look at our vast expenditures for national

defense, foreign assistance, and other security purposes and ask how we got into such a predicament.

The answer to this question may seem complicated but actually is not very difficult. In large part our increased vulnerability and increased dependence upon others are products of revolutionary changes in our physical environment. Man's conquest of the air has diminished the protection once afforded by our ocean barriers and has made the American homeland vulnerable to attack in a manner inconceivable at the turn of this century. Modern science has produced weapons through which such attacks might inflict damage and devastation on a staggering scale. These technological developments, meanwhile, have been accompanied by the rise of the Communist empire as an ominous threat to the existence of free civilization. Not only have the Communist leaders clearly proclaimed their intention to dominate the entire planet, but they have demonstrated extraordinary capacities for pursuing this intention. Already the Communist empire represents what is probably the strongest and most dangerous aggregation of aggressive power ever assembled under a single political system. Progressive accumulation of additional territories and resources might multiply this power overwhelmingly.

These facts underscore the increased importance of foreign policy in the life of the average citizen. They also help to explain the striking transformation in the character and direction of our foreign policies—our shift from a position of isolation and neutrality to a position of leadership in a worldwide system of collective security.

Keystone of American Foreign Policy

At the present time the principle of collective security is the keystone of American foreign policy. We have recognized that our freedom, our

¹ Address made before the annual convention of the U.S. Chamber of Commerce at Washington, D. C., on May 2 (press release 237).

prosperity, and our national safety can be protected only through cooperation with other free nations. So we have entered into various international arrangements and have assumed heavy international commitments. Less than 2 weeks ago, to promote this policy, President Eisenhower submitted to the Congress a request for approximately \$3½ billion to provide military and economic assistance to our partners during the coming fiscal year.² Within a few days Secretary Dulles will go to Paris to meet with the Foreign Ministers of 14 other governments to consider some of the problems involved in connection with the work of the North Atlantic Treaty Organization and to welcome Germany as a partner in that important collective security arrangement. These are current indications of the ever-present impact of collective security upon our national life.

The overwhelming majority of Americans, I believe, support the principle of collective security. This is true regardless of political faith or geographic location. At the same time, it can be asked if the basic premises of our collective security policy are thoroughly understood. I suspect there are many Americans who believe that collective security is a "good thing" but who do not realize that it is a necessity. In resigning themselves to the burdens of world leadership, some of our citizens have probably been guided more by their humanitarian instincts than by a profound appreciation of self-interest. Many Americans who supported the Marshall plan, for example, probably were motivated primarily by a sincere wish to help suffering Europeans and had no more than a vague realization of the relationship between European economic health and American security.

Certainly we Americans have no reason to apologize for the fact that we are often motivated by idealism and generosity. Our humanitarian outlook is a reason for genuine pride. But it is also important that we not lose sight of our self-interests and that we understand the way in which our foreign policies are designed to serve those interests. It is not enough to be merely "in favor" of collective security arrangements. In order to make sound decisions on the critical issues that confront this Nation day after day, it is also essential that we understand just *how* important collective security really is.

² BULLETIN of May 2, 1955, p. 711.

Getting a Proper Perspective

If we fail to appreciate the true extent of our dependence upon our security relationships, we may be deceived by various fallacies. For example, there are still some Americans who assume that the United States is omnipotent—that we do not really need anything that other nations can offer. Some people have the strange idea that the capabilities of our allies are of little value in the air-atomic age, that nuclear capacity is the only thing that matters, and that all the difficulties we face could be solved by dropping a few H-bombs here and there. As a result, they believe that the United States should cooperate with other nations only so long as such cooperation is convenient and that we should be prepared to "go it alone" in any situation where allied support is not readily forthcoming.

It is possible, of course, that circumstances might some day compel the United States to stand alone in defense of its freedom and existence. Even if the rest of the world should fall victim to Communist slavery, I believe the American people would remain determined to fight for survival, however great the odds against them might be. But such a situation would be truly desperate. It is one of the fundamental purposes of our foreign policy to make sure that this situation never develops. For all practical purposes, we recognize that collective security offers the only reasonable hope of peace and safety and that this is more true in the air-atomic age than ever before.

It is important to view modern weapons and modern strategy in a proper perspective. We all know that our superiority in long-range air power and nuclear capability constitutes the principal immediate deterrent to Soviet aggression. We maintain at all cost our capacity for effective retaliation against attack. At the same time, we avoid the fallacy that strategic air power and nuclear capability afford a realistic substitute for collective security. In the first place, it is obvious that the capacity for retaliation does not exist in a vacuum. It is a composite product of many other things—mineral resources, scientific skills, trained technicians, trained military personnel, overall industrial capacity, bases and other facilities for delivery, and so forth. These are the underlying elements of nuclear power, as well as other forms of power, and the United States has

no monopoly on them. Already we depend upon other free nations for many of the things we need. Superiority in particular weapons at any given moment is of secondary significance. In the long run the ratio of world power will depend largely upon overall technological progress, which will depend in turn upon whether the peoples and resources of the remainder of the non-Communist world remain free or whether they are enslaved and harnessed to the Communist war machine.

Equally important is the fact that we cannot in any event rely exclusively upon nuclear retaliation to deter or defeat Communist aggression. We need various supplementary defenses, both military and nonmilitary. Secretary Dulles has repeatedly stressed the importance of local defenses, and President Eisenhower has said that "we must stay alert to the fact that undue reliance on one weapon or preparation for only one kind of warfare simply invites an enemy to resort to another." This means that American nuclear capabilities need to be reinforced by other military facilities, both American and allied. In addition, we must have adequate means to counteract the multiple Communist techniques of nonmilitary aggression—aggression through subversion, diplomatic pressure, economic warfare, propaganda, and political maneuvers. The United States is far from self-sufficient in the numerous elements of power required to maintain effective defenses against all the various forms of Communist aggression.

Our Dependence Upon Others

I think it would be useful to take a hardheaded look at some of the factors which point up the necessity of American cooperation with other parts of the free world.

As you know, the United States contains only 6 percent of the world's population. The free world as a whole contains more than 65 percent. The human being remains the most priceless asset in any power ratio. Every nation conquered by the Communists adds to the Soviet pool of power and diminishes the human resources of the free world. The ultimate fate of both the United States and the Communist empire will be determined by what happens to the millions of people now free, what strength they possess, and what choices they make.

While the United States has vast economic resources, these obviously are only a minor part of the total natural resources of the world. Even today we import substantial quantities of more than 50 vital commodities. These commodities are essential alike to our peacetime industry and our defense system. The loss of these imports would have a tremendous impact on the American economy, even assuming that substitutes for certain commodities could be developed. So long as the free world remains free, it is unlikely that the Soviet Union can ever achieve superiority in basic resources. On the other hand, continued Communist expansion could not only threaten American supply lines but might eventually reach a point at which the total resources under Communist control would outweigh those of the United States and its remaining allies.

Next, despite the unequalled industrial power of the United States, the factories, laboratories, and technical facilities of other free nations cannot be regarded lightly. In fact, the industrial capacity of our allies is the key to the balance of industrial power. At present allied industrial establishments can make an important contribution to the total economic and military strength needed to resist communism. On the other hand, the seizure of Western Europe alone would give the Communist bloc the means of attaining eventual industrial superiority over the United States.

Let us also remember that many of our friends and allies maintain sizable armed forces. For example, our military and economic aid programs are now helping to support a large number of divisions of allied ground forces in various parts of the world. These forces represent a significant addition to the deterrent and defensive capacity of U.S. military forces. It would be an intolerable strain for the United States alone to try to match the swollen armies possessed by the Soviet Union, Communist China, and the European satellites. But allied forces can help to offset the Communist superiority in military manpower.

I need not remind an informed audience such as this of the importance of overseas markets. While our foreign sales represent only a small part of our total production, they involve many key items, and the disappearance of foreign markets would force painful readjustments in the American economy.

Finally, we must consider the value of sea and air bases in allied territories. These serve to defend not only the immediate locality but the United States as well. Without such bases it would be virtually impossible to halt enemy attackers before they could inflict crippling damage on our civilian population and industrial centers. Conversely, we should not forget that, when any country falls to communism, the entire area becomes a base for further Communist aggression, including potential attack upon the United States.

When all these considerations are added and carefully weighed, the fundamental premises of our collective security policy become crystal-clear. This policy is not based on a philosophy of "do-good-ism." It is based upon our knowledge that we need other countries just as much as they need us. The easiest, cheapest, and only reasonably sure way to protect American safety and American interests is to work in partnership with other free nations.

Most of the things I have said have been said many times before. Unfortunately they are sometimes forgotten when we are dealing with specific issues or when our emotions are aroused by disturbing events abroad. However we may evaluate our allies, the Communist leaders do not minimize their importance. In fact, the entire "cold war" may be defined as a gigantic campaign by the forces of communism to accumulate and exploit the resources of other free nations in order to expand Communist power.

I will not attempt to describe in detail the specific collective security arrangements we have entered. They include the United Nations, NATO [North Atlantic Treaty Organization], the Manila Pact, ANZUS [Australia-New Zealand-U.S. security treaty], the Rio Pact, and various agreements with individual countries. These undertakings have assumed different forms, of course, and have been designed to serve different purposes. Some, like NATO, have evolved elaborate joint defense programs, while others rely primarily for their deterrent effect upon the pledges given and received. Most are regional in scope, but the United Nations and its subsidiary bodies provide instruments through which peace and progress may be pursued on a global basis. Despite their differences, our central purpose in all these arrangements is to make sure that the human and material resources of the free world remain free and effectively serve the cause of freedom.

Implications of Our Policy

The acceptance of the policy of collective security carries with it certain inescapable implications. What are they?

First, it is necessary to appreciate the long-range nature of our policies. They are not designed to meet temporary emergencies but to protect American and allied interests in a nerve-racking psychological warfare that may last for years. We cannot participate in alliances on an "in and out" basis, nor can we offer leadership one day and withdraw it the next. Consistency of policy is sometimes as important as its substance. This does not mean that we can never seek improved approaches to problems nor tailor our actions to fit new circumstances. It does mean that the fundamental principles of our policy should be firm and predictable, so that our allies may safely rely on these principles in planning their own actions.

Next, we should note that our collective security undertakings go far beyond mere pledges and commitments. They are working partnerships. We are not interested solely in keeping friendly nations out of Communist hands. We also want to make these nations as strong as possible, so that they can more adequately protect themselves, can contribute to our protection, and can participate effectively in the worldwide struggle for peace and security. It is not enough to have allies; we want *strong* allies.

When we speak of strength, it is also important to remember that we are not referring to military strength alone. There are some areas of the world where the survival of freedom depends essentially on factors other than military power. Communism is nourished by political instability, economic weakness, and social upheaval and can gain ground by exploiting these conditions as well as by military conquest. Thus our collective security efforts must take account of political and economic problems in addition to the problems of military defense.

Cost of Collective Security

The need for allied strength calls attention to another important implication of our collective security policies—the fact that these policies cost money. Very few of the good things of life are really free—freedom least of all.

Our collective security undertakings have al-

ready led to the deployment of a considerable number of American military forces abroad and the expenditure of sizable sums for military and economic assistance. Our own national interests are served by doing so. If we want allies who are truly strong enough to help *us*, common sense demands that we use our resources to assist them in developing this strength. What we get out of a collective security system depends largely upon what we put into it.

Critics of our foreign policies sometimes claim that American assistance to other nations is designed to "buy friendship." This is not true. We know that friendship can't be purchased. It is more correct to say that we are "buying strength." In some areas judicious expenditure of U. S. resources enables an allied country to build and maintain military forces of far greater size and effectiveness than could be attained by spending an equivalent sum in this country. In the NATO defense program, for example, our allies have spent \$3 of their own money for each dollar's worth of assistance we have given them and have thereby converted the military vacuum that existed 5 years ago into a position of genuine strength. In certain underdeveloped regions a small outlay of technical or developmental assistance can make the difference between a rising or declining economic outlook for the whole population. And this, in turn, may make the difference between a nation dedicated to freedom and a nation whose domination by communism is only a question of time.

Insofar as possible, it is desirable that the economic strength of our allies be built and sustained through private trade and investment. All our policies are geared to this objective. But it is obvious that we cannot achieve the desired results unless we ourselves are willing to make the political decisions required to facilitate a free flow of trade and investment. Some of these decisions are very difficult, and the willingness of large segments of the American business community to face them squarely is one of the most hopeful signs in the current struggle.

The cost of collective security cannot be taken lightly. President Eisenhower and Secretary Dulles have stressed their determination to hold these costs to a minimum, and substantial savings have already been achieved. But it would be foolhardy to cut costs without regard to consequences. We are engaged in a struggle for sur-

vival, and our chances to avoid a devastating hot war depend largely upon our success in the cold one. All the military, economic, and technical assistance we have given to the entire world since World War II is less than the probable cost of a few weeks of an all-out thermonuclear conflict.

The administration's strong support for the extension of the Trade Agreements Act for a period of 3 years and its request for congressional authorization for United States membership in the Organization for Trade Cooperation³ is based on the realization that the economic strength of the free world is directly related to the willingness of the United States to cooperate internationally in the reduction of unjustifiable trade barriers. As you know, H. R. 1, the Trade Agreements bill, would permit the President to reduce our tariffs by 5 percent each year over a period of 3 years. These reductions are obviously modest, but the willingness of the United States to make them would be a clear indication of its determination to contribute to a higher level of mutually advantageous commerce among the nations of the free world. This indication would be strengthened by United States membership in the proposed Organization for Trade Cooperation, which would administer the General Agreement on Tariffs and Trade. The General Agreement is a multilateral trade agreement to which the United States and 33 other countries adhere. They represent over 80 percent of the world's trade, and the cooperation and procedures they have developed in their annual meetings have done much to prevent a renewal of that economic warfare which characterized the thirties. The Organization for Trade Cooperation would provide a permanent continuing administration for the fair trade rules for international commerce contained in the General Agreement on Tariffs and Trade. The Organization would thereby greatly contribute to the economic strength and political and social stability of countries to which we look for support in the struggle against international aggression.

In recent weeks Soviet moves regarding Austria and Chou En-lai's statements at the Bandung conference suggest that perhaps at least a tactical

³ For the President's message to Congress on foreign economic policy, see *ibid.*, Jan. 24, 1955, p. 119. For the text of the agreement on the proposed Organization for Trade Cooperation, see *ibid.*, Apr. 4, 1955, p. 579. For the President's message to Congress recommending U.S. participation in OTC, see *ibid.*, Apr. 25, 1955, p. 678.

shift in Communist policy may be taking place. Although our experience induces caution with respect to these developments, the stakes are so high that national interest demands we explore any avenue which might lead to an easing of international tension. The President and the Secretary of State have made it clear that this is our intention.

One of our principal long-term assets is the fact that we are not compelled to make a choice between

our moral idealism and our self-interests. We do not have to hurt others to help ourselves. Our security policies are in fundamental harmony with our humanitarian traditions. Both our prosperity and safety are enhanced by the prosperity and safety of other free nations. We can move forward with the profound conviction that a nation whose interests are on the side of humanity will ultimately triumph against any challenge.

Developing U. S. Policy on Disarmament

by *Harold E. Stassen*
*Special Assistant to the President*¹

I have a new task. And I need your help.

For a number of years the most dangerous arms buildup in the history of mankind has been under way. It intensified after the outbreak of the Korean aggression. It is continuing today.

Weapons have been designed and built with such astounding force that a single squadron of modern bombers in one flight can pack a destructive power greater than all of the bombs carried by all of the airplanes in all of their flights on both sides in World War II.

The United States is not alone in knowledge of these weapons.

A concentrated center of political and military authority has been established in Moscow which appears to have under its control the largest non-war-time armies ever ruled from one point. The Soviet Union, Eastern Europe, and the mainland China area together have over 7 million men under arms now.

Modern weapons deliverable by air are the most potent deterrent to any march of aggression by these huge armies within the European-Asiatic land mass, where more than two-thirds of the peoples of the world reside. In this sense, under

present world circumstances modern weapons are a power for peace as well as a source of danger of war.

The capacity of major nations to devastate others, and their vulnerability to destruction by others, are unparalleled in the record of this earth. There is every indication that both this capacity and vulnerability for all great nations will accentuate in future years if the pyramiding of weapons continues.

Faith in This Nation

This is the black background against which I begin my endeavor to develop the basic policy of the United States on the question of disarmament for recommendation to the President.

I do not minimize the difficulty. Much of my own experiences in war and in peace deepens my realization of the size and nature of the obstacles. But the stakes for the United States, and for the Russian nation, and for all mankind, are so high that we must succeed. I have an abiding faith that this Nation, under God, before it is too late, can find an answer that is better than a grim arms race, can find an answer that will rescue civilization from the scourge of an atomic World War III, and can obtain world agreement to it.

¹Address made before the American Society of Newspaper Editors at Washington, D. C., on Apr. 21 (White House press release).

It is abundantly clear, but should be explained again and again to all who cherish freedom, that the answer must never be our unilateral disarmament or one-sided weakness. The consequences of any isolated impotency on our part would be particularly disastrous at a time when the opposing ideology carried with it the obliteration of freedom, the denial of God, and the ruthless rule of the state over the individual human personality.

Record of the Past

It is a fierce fact that the world has never yet found the way to establish a durable peace. Disarmament proposals, limitation-of-arms agreements, and reduction-of-force treaties are scattered through the pages of time ever overshadowed by the outbreak of war and more war.

But these centuries of failure do not foredoom our efforts now. Never before have the unique facts of today prevailed. Never before has mankind contemplated the results of war in the terms that now must be faced. These unprecedented circumstances themselves establish not only the most impelling requirements to succeed but also the best opportunity to do so.

Nor is the record of the past quite as bleak as a generalization of labor in vain would imply.

For example, the Rush-Bagot Agreement of 1817, limiting the naval force on the Great Lakes to three vessels of equal tonnage and armament for each nation, was a conspicuous success. Signed by Richard Rush, the Acting Secretary of State, and by Sir Charles Bagot, British Minister to Washington, in the wake of the fighting of the War of 1812, this disarmament agreement was a forerunner of the longest unarmed peaceful border in the world, the over 3,000-mile boundary between the United States and Canada. Both nations have enjoyed the bountiful fruits of that policy. Both would have lower living standards, less security, weaker positions in 1955, had it not been for that rewarding achievement.

Our research back through the ages has also disclosed many other interesting instances, including, for example, reported accounts that as early as 600 B. C., two and one-half thousand years ago, the Chinese States of the Yangtze Valley, after a series of wars with each other, entered into a disarmament league and established a century of peace.

Although the overall worldwide characteriza-

tion of past failure is not denied, many other limited successes are recorded.

Six Exceptional Assets

Furthermore, there are some exceptional assets which will be of great value in this new move to solve the thus far insoluble worldwide problem. May I call to your special attention six of these favorable circumstances.

Foremost I would list the fact that our Nation by the decision of its people is now presided over by a man with an amazing capacity for leadership, with unparalleled experience in war, and with a profound dedication to peace—President Dwight Eisenhower.

I have found even in remote areas of the globe a high and rising appreciation of the quality of our President and a keen interest in his views and a respect for his attitudes. I have seen at close hand in many difficult hours his poise and perception and his deep devotion to fundamental objectives. There can be no doubt of the solid support of the people of our country for the persistent search for a durable peace, a search which has been marked by a long and consistent record of efforts by the Government of the United States to obtain sound agreements for disarmament through the United Nations.

A *second* significant plus as we work upon the problem is the fact that this Nation, with its superb caliber armed forces, its very productive, resilient industrial economy, its skilled labor, effective management, and able farmers, and its brilliant assembly of scientists, has demonstrated to the entire world that it cannot be outdistanced in armament. We will negotiate from strength, real strength, now, and in potential for the indefinite future. We are completely aware that no one could truly win a modern war, but we are also confident that we would not now or ever lose a modern war.

Third, I note the development, in both of our major political parties, of an exceptional degree of understanding and skill in the conduct of foreign policy, currently dramatically emphasized in the personalities of the Secretary of State, John Foster Dulles, and the chairman of the Senate Foreign Relations Committee, Senator Walter George.

This advanced ability and close cooperation played an important part in ending the Korean

War with its explosive potential for spreading to worldwide proportions. In less than a score of years, highlighted by the statesmanlike joint efforts of the late Senator Arthur Vandenberg and former Secretary of State George C. Marshall, under the Presidency of Harry Truman, a possible weakness in our political party system has been forged into a basic strength. Speeches and actions reflecting lesser vision and different values in both political parties will continue to be troublesome in foreign policy matters. But the essential tradition of both political parties working together in the national interest on the issues beyond our borders is well established and has tremendous public support. I do not believe this principle will be broken in future years.

Cooperation of Free Countries

Fourth, I emphasize that cooperation among the free countries in economic, military, and technical programs has attained a remarkable level of accomplishment. Western Europe this year will reach a record peak of gross production equivalent to \$200 billion per year. The Marshall plan has been a solid success. The free world as a whole is better fed and better clothed than ever before. Many serious problems remain, and more needs to be done, especially in the arc of free Asia. But the momentum of progress and the substantial accomplishment sets the stage for an extraordinary effort to devote future production resources increasingly to the service of the needs rather than the fears of mankind, the lives rather than the deaths of the young generation.

A very important statement of policy of our relationship to the world was included in President Eisenhower's letter to Secretary Dulles on April 15th² anticipating the establishment of a permanent International Cooperation Administration as a semiautonomous organization within the Department of State to administer the programs now conducted by the temporary Foreign Operations Administration. The President stated that it had come to be widely recognized that a long-range continuing basis for the kind of international cooperation in development of economic and military strength represented by these programs is an integral part of our policy. I believe that a large majority of the Members of Congress and of the people of both political parties

will agree with that policy enunciation by the President. It is a policy that I have been anxious to see established in the national interest long before I entered the Federal Government. During each year of the temporary annual life of the organization I directed, as we worked on problems which we knew could only be met by long-term continuing effort, I have been more certain of the need of such a long-term policy. The accomplishments of the program and the security and economic dividends which are drawn from it, not only by other peoples but by the United States, are gradually being understood. These are especially noted when comparison is made to the economic and security situation after World War I without such a program. In no other manner can less than one percent of our gross national production and less than five percent of our national budget be used with comparable results.

A *fifth* favorable factor is reflected from the many indications that the vast millions of peoples within the Soviet Union are as desirous of peace as are the free peoples. Their form of government makes the views of the people of much less significance, but the impact of a powerful public opinion is nevertheless of some importance.

I have a vivid recollection of my visit to the Soviet Union 8 years ago this month. I recall a conversation with a machine-tool operator working in the heavy steel plant at Sverdlovsk deep in the heart of vast Russia in the Ural Mountains area. He was a tall, fur-hatted, thin-faced Russian. I noticed him as we were moving down through the huge tool assembly building of the plant. My first-glance identification of the large machine tool at which he was working was correct. It was built by the Niles Tool Company of Hamilton, Ohio. He was engaged in adjusting the precision cutting edges. In our discussions which followed through the interpreter, and which included a visit to his home and meeting his wife and three daughters, ages 19, 13, and 11, he told me of their peasant family background, of their problems of their work, and then of their hopes for more clothes, more room, more happiness—and "peace." He added, "We can have nothing without peace."

I am convinced that the many millions of Soviet citizens continue to hold this view.

Sixth, I would list the existence of the United Nations, with its established forums and its operating committees providing an important avenue for

² BULLETIN of May 2, 1955, p. 715.

the consideration of proposals. The United Nations has given vigorous support to President Eisenhower's atoms-for-peace plan that has helped get it under way. Today, there are scholars from 20 nations studying the peaceful uses of nuclear energy at the Argonne Laboratory in Chicago at the School of Nuclear Science and Engineering conducted by the United States Atomic Energy Commission. In August, the International Conference on Peaceful Uses of Atomic Energy meets in Geneva.³ This peaceful spearhead may prove to be of a crucial nature. It was approved by the United Nations Assembly as an outgrowth of the President's atoms-for-peace speech on December 8, 1953.

Cynicism a Serious Handicap

But let us turn from a discussion of assets to a consideration of two of the many liabilities.

It is my view that cynicism—confirmed, congealed, compounded cynicism—constitutes one of the most serious handicaps. This Nation never can solve a difficult problem if its people conclude that it is hopeless. Nothing smothers constructive action in a free nation as completely as a heavy blanket of cynicism. It is only through the maintenance of an abiding determination, of a never-failing hope, of a deep faith, that results can be obtained in the most adverse circumstances. It is very easy to be defeatist about disarmament. It is hard to blame anyone for being prone to give up the search. But if defeatism became the rule of the day in this problem, that in itself would foredoom failure. I cannot today spell out the steps by which success can be attained, but I do say that success must be attained. I do promise a concentrated and consecrated, persistent and prayerful endeavor to penetrate the problem and move toward solution. I can also point out that in many other key junctures in history the pessimists said that answers could not be found but the people persisted with faith and answers were found. At the very birth of this Nation, scoffers said the United States of America could not be thus established. Listen to what Josiah Tucker wrote in 1787:

As to the future grandeur of America, and its being a rising empire under one head, whether republican or

³ For details of plans for U. S. participation, see *ibid.*, Mar. 14, 1955, p. 444.

monarchical, it is one of the idlest and most visionary notions that ever was conceived even by writers of romance. The mutual antipathies and clashing interests of the Americans, their differences of government, habits, and manners, indicate that they will have no center of union and no common interest. They never can be united into one compact empire under any species of government whatever; a disunited people till the end of time, suspicious and distrustful of each other, they will be divided and subdivided into little commonwealths or principalities, according to natural boundaries, by great bays of the sea, and by vast rivers, lakes, and ridges of mountains.

In Britain's darkest hour the cynics said that nation could not survive. But the British never gave up hope, and it became instead their finest hour under the leadership of the spirit that could not be extinguished, Sir Winston Churchill.

Thus my plea to you today is that each of you in your own way see to it that the powerful institution which is in your charge, while constantly and realistically describing the difficulties, shall not promote but shall combat the wellsprings of cynicism which are so easily fed in this crucial concern.

Effort of Communist Underground

The second serious handicap that I would call to your attention is the organized effort of the Communist underground in the free world. These concealed Communists are a continuing double threat because they tend to mislead both the people of the free world and the rulers of the Kremlin at the same time. Success in working out the policy on disarmament and moving toward peace with surefootedness will require an accurate understanding of facts by both the people of the free world and the Government of the U. S. S. R. Currently, the covert Communists around the world are engaged in an effort to deceive the people into believing that stripping the United States of its modern weapons capacity would promote peace. In fact, it would be the trapdoor into the most horrible war and the most destructive century of struggle and slavery.

These below-the-surface Communists are currently organizing for a so-called "World Peace Conference" in Helsinki in May. They are actively engaged in enlisting people of prominence who are not Communists to make statements that will fit with their propaganda objective. They are undoubtedly making glowing reports to the Kremlin of their success. Herein lies the double-

edge danger of their work. Not only are they a handicap to the correct understanding of facts in the free world, but they also tend to divert the Politburo in Moscow from getting a correct appraisal of what will happen in the free world in the years ahead if no agreement is reached on this question of disarmament.

I am convinced, for example, that if the Soviet Union had not been misinformed and had not misappraised the reaction of the United States and the free world, the Korean War never would have been started.

Exposing Communist Methods

In overcoming this second obstacle you can also be of great assistance. You will be the best judges of the methods you follow. For one suggestion, it would be helpful to expose by wide dissemination and repeated description the methods Communists use in enlisting non-Communists, especially non-Communists whose scientific, literary, or public position establishes newsworthiness. From this source, the Communists obtain many statements which front for and support their propaganda line.

The search for a sound answer to the overshadowing dilemma of the world—the need for modern armament and the danger from modern armament—will take time. May I respectfully ask that you avoid attempts to quickly prejudge or to sensationally publish presumed leaks? Will you help in your own way to maximize the assets and minimize the liabilities? Will you contribute toward feeding the faith rather than deepening the despair of mankind? The world confronts circumstances of so grave a nature that I would hope a special concept would arise from the free press of their responsibility.

In working with me on this assignment you are entitled to know and I do expressly state to you that I have one ambition and only one. It is to successfully discharge this responsibility which President Eisenhower has placed upon me and, with humility, to justify in some degree the informal title which the free press has placed upon the assignment.

Meetings at Paris

Statement by Secretary Dulles¹

I go to Europe on this mission with greater confidence than on any previous missions I have taken as Secretary of State. I truly believe that our meetings in Paris, where we will welcome a newly sovereign Germany into the Atlantic alliance, will begin the writing of a new chapter in the European story—a chapter which will record the realization of a new Europe, united, free, and secure, of which men of vision have so long dreamed.

And it may be that, even as we meet in Paris, yet another great city in Europe—Vienna—may see the coming to fruition of our decade-long efforts to secure freedom and independence for Austria. In that event, I would prolong my journey to meet with the other Foreign Ministers in Vienna to conclude the Austrian state treaty.

These two achievements, so long sought by the West, would of themselves open up new vistas for accomplishment.

Current Legislation on Foreign Policy: 84th Congress, 1st Session

Tenth Semiannual Report of the U. S. Advisory Commission on Information. H. Doc. 87, February 10, 1955. 8 pp.

Regulation of Nets in Alaskan Waters. Report to accompany S. 456. S. Rept. 32, February 11, 1955. 3 pp.

Administration of Cargo Preference Act. Report pursuant to sec. 136 of the Legislative Reorganization Act of 1946, Public Law 601, 79th Cong. H. Rept. 80, February 28, 1955. 22 pp.

International Telecommunications Convention and a Final Protocol Thereto Signed at Buenos Aires on December 22, 1952. Report to accompany Executive R, 83d Cong., 1st Sess. S. Exec. Rept. 5, March 4, 1955. 11 pp.

Trading with the Enemy Act. Report to accompany S. Res. 63. S. Rept. 52, March 10, 1955. 2 pp.

Western European Escapees and Refugees. Report to accompany S. Res. 64. S. Rept. 53, March 10, 1955. 3 pp.

¹ Made on the occasion of Secretary Dulles' departure for Paris on May 6 (press release 247).

The Relative Power Positions of the Free World and the Soviet Bloc

by Thorsten V. Kalijarvi

In order to determine the relative power positions of the nations of the free world and those of the Soviet bloc, we must examine the interrelation of political and economic considerations affecting these power positions. This subject is filled with variables and imponderables which the American people and their Government must weigh, and sometimes guess at, in the continuing effort to develop an equation, or formula, called our foreign policy. If this equation—by no means a simple, straight-line equation—is to succeed, it must yield results which contribute over the long haul to the attainment of our basic foreign policy objective, namely, the improvement of the security and well-being of the United States.

Let us take as a starting point a few thoughts from a recent study called *Trends in Economic Growth: A Comparison of the Western Powers and the Soviet Bloc*, published in January by the congressional Joint Committee on the Economic Report.¹

Relative economic strength is, of course, a fundamental factor in the struggle between the Communist bloc and the free world. Neither morale nor political stability nor a firm military posture can long be sustained in its absence. This was one of the compelling reasons why the United States embarked upon the Marshall plan and related measures designed to assist in rehabilitating the wartorn economies of countries which we counted as our friends. And, as we now look abroad, we realize that, although these efforts have been successful, there is much yet that needs to be done.

But economic strength is not the sole component of national power. The economic factor is only

one dimension of national and international strength and cohesion in the free world. We must place the economic factor in the framework of the sum total of the factors—technological, military, political, psychological, and cultural—which must be reckoned with in the conduct of our foreign affairs.

Economic Power of the West and the Soviet Bloc

Let us return then to the report prepared for the Joint Committee. Here are some of its conclusions, which we may well keep in mind. They set forth in economic terms the relative power position of the free world as compared with the Communist-dominated world.

1. In terms of basic elements of economic strength such as manpower, agriculture, steel production, transportation, and generating power, the present economic capacity of Western Europe, the United States, and Canada combined is significantly greater in absolute magnitudes, diversity, and flexibility than the combined strength of the Soviet bloc.

2. In the period 1938–53 as a whole, the national product of the United States increased about three times as rapidly as that of Free Europe and almost twice as rapidly as that of the Soviet Union. To a considerable extent this difference reflected the varying effects of World War II. During the postwar period between 1948 and 1953, the national product of the United States grew not quite 30 percent faster than that of independent Europe but, significantly, only two-thirds as fast as that of the Soviet Union.

3. An examination of the various factors of production (growth of labor input, agriculture, housing, etc.) in the United States and in the Soviet Union today gives strong grounds for expecting

¹ Copies of this study may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C., for \$1.

that the absolute gap in the size of the two economies will widen over the next two decades, although the rate of growth in the Soviet Union might be somewhat higher than the rate of growth in the United States.

4. Economically Western Europe has been growing somewhat more slowly since 1938 than has the Soviet Union, although the growth in Western Europe has been more rapid than that in the satellite countries. If the rate of growth in Western Europe is not to fall even farther behind that of the Soviet Union, it is necessary to eliminate certain bottlenecks which perpetuate the inefficient use of labor, capital, and natural resources.

5. The West has tremendous economic power, whereas the Soviet bloc, through propaganda, has been hiding its lesser economic strength. It is in the interests of the United States that this be made known throughout the world, particularly in less developed areas.

6. Superiority in economic strength and economic growth are desirable ends in themselves, but they do not assure political and military security. In fact, an economy that is already largely mobilized for war can operate with great effectiveness and for some time against a considerably stronger economy that is not so mobilized. For this reason the Soviet bloc can bring its full military strength to bear more rapidly than can the West.

Taken as a whole, these conclusions show a vast industrial-potential superiority on the side of the West for some years to come. However, although we may derive some comfort from this thought, let me sound two warnings and dispel any notions of complacency.

Industrial Potential vs. Force-in-Being

First, the hypothesis on which this superiority is built is currently under fire. The validity of the industrial-potential theory of national power is now being challenged. This theory came to be understood and accepted in the United States only during World War II. Before that, as a Nation we had been pretty well committed, according to some competent observers, to a force-in-being theory—although in a somewhat head-in-the-sand way, judging by our military unpreparedness at the end of the 1930's.

Now, however, under the impact of our dizzying technological advances, a case can certainly be made for urging that the industrial-potential

theory is itself obsolete and that the force-in-being theory should be back in vogue. After all, a successful day's work by the Soviet air force employing thermonuclear bombs might be capable of sending this country back to the Indians; and if the U.S. Air Force returned the compliment, Russia would revert technologically to the age of Ivan the Terrible. I cannot help but believe that the Kremlin shares this view of the absoluteness, yet uselessness, of thermonuclear warfare, despite Molotov's recent remarks to the effect that world civilization would suffer but that what would be destroyed would be the "rotten social system with its imperialist bases saturated in blood—that is, capitalism."

So we seem to be approaching what Winston Churchill has called "the balance of terror." This might be regarded as the mid-20th-century version of the classical balance of power. In any event, I would guess that the relative validity of the force-in-being and industrial-potential concepts can be debated extensively. I do not think the two are mutually exclusive at this point in history. Quite obviously we have the greatest defensive force-in-being that we have ever maintained in the absence of all-out shooting war. Yet our diplomacy is based to a considerable extent on the industrial-potential concept.

The policies we are following demand a strategy of coalition precisely because of all the many eventualities which the "balance of terror" or thermonuclear and atomic stalemate gives rise to, or makes more likely or more intensified. These eventualities include economic warfare, psychological warfare, "small" wars as in Korea and Indochina, and internal and external subversion, to name a few. They dovetail with what we have known to be Communist strategy since Lenin spelled it out in 1920 and 1921. The essence of that doctrine is that the world revolution will be carried out through indirect warfare rather than by a head-on clash with the capitalist countries. Here we have a type of conflict which is far from obsolete. And our capacity to achieve victories in this theater of operation is of crucial importance.

Western Europe Falling Behind

This brings me to my second warning. Western Europe is falling behind the Soviet Union in its rate of economic growth. We have noted the

conclusion in the report prepared for the Joint Committee with respect to this matter.

Although the United States did not at first recognize the full meaning of the economic struggle being waged by the Kremlin, we learned fast—and won significant victories. These have been reflected in the tremendous strides in economic recovery and growth taken by Western Europe since 1948. The Marshall plan was a success—in fact, a brilliant success. I think it is no exaggeration to say that the Marshall plan and related programs played an essential part in curbing the spread of communism in France and Italy at a time when Communist domination was a distinct possibility. But even more than that, Western Europe has been able to recover and move ahead economically to the point where it now supports military strength which surely must give the Kremlin pause.

But still more needs to be done. Western Europe needs further stimulation if it is to avoid the danger of being industrially overshadowed. The United States must continue to foster closer political, economic, and military integration in Western Europe in order to develop more fully the potential strength of its human and material resources.

This is the aim of our foreign policy. This is the purpose of our leadership and contributions in NATO, of our affirmative support of the European Coal and Steel Community, of our productivity assistance, of our efforts to eliminate trade and payments barriers. And here I would like to point out that further gains from these and other similar measures will depend heavily on the example we ourselves set.

The Less Developed Areas

In the rest of the non-Communist world, if we exclude the United States, Canada, and Japan, the economic development picture is bleak. The economic growth process has barely begun, particularly in Asia. Yet there is a tremendous upsurge of aspirations and pressures for fundamental changes in the pattern of life which cannot be accommodated unless more rapid economic development takes place. Unfortunately the financial resources and skills required for such development are often lacking. Even if greatly increased external assistance were to be forthcoming, any marked economic improvement could only be sus-

tained by limiting the rise in immediate consumption.

The promise of economic improvement is being used as a means to help meet the challenge of emerging aspirations. But we should not forget that economic improvement can fulfill these aspirations only if it is accompanied by corresponding changes in the distribution of political power, in social values, and in governmental efficiency. If these aspirations continue to be largely frustrated, I cannot see how we are to avoid the trend toward extremism and violence in most parts of the less developed world.

There are, of course, significant regional variations in the pattern described above. The dangers arising out of economic frustration are perhaps the greatest and most immediate politically in South and Southeast Asia, where the pressure, influence, and apparent attractions of Communist China are powerful.

Latin America has been experiencing very rapid economic growth since World War II, but living standards are still low. Threats of extremism do not arise so much from pressure for even more rapid growth as they do from social changes and inflation resulting from present rates of growth and from lagging development in a few countries.

Let us recapitulate at this point. We find the existing situation to be one in which the economic power of the West is far greater than that of the Soviet bloc, including Communist China. A vast area in Asia and Africa is inhabited by some billion people who are uncommitted to either power bloc and whose economic and social aspirations and nascent nationalism render them susceptible to a good selling job. There is no denying that the Soviet bloc has seen this opportunity and has done a good selling job. Not only has it successfully used propaganda to conceal its lesser economic strength but it has also maintained the lesser strength in a mobilized state, thereby offsetting the far greater potential strength of the West in a military sense. Thus we witness the paradox of a nation, the Soviet Union, which can equal or approximate the best in jet plane production but which cannot provide its people with modern plumbing.

In this situation the specific objectives of our foreign policy may be stated broadly as follows:

1. To gain the adherence to free-world ideals of those peoples who are uncommitted in the

worldwide struggle between the forces of freedom and communism.

2. To continue to build the strength of the free world so that its ideals can be defended and can ultimately prevail, as I am confident they will.

3. To avoid making any significant contribution to the total power of the Soviet bloc.

This adds up to a gigantic task, calling for the wisdom of Solomon and the patience of Job. We must be consistent, make sense at all times, and strive for no more than the attainable. We cannot afford to be vacillating or capricious or petulant. And precisely because no action we could take would enable our allies and other non-Communist countries to achieve all of their aspirations, we need to be careful in what we set out to do.

Economic Defense Program

One form our efforts take in the pursuit of these objectives is the so-called economic defense program, which we and other nations of the free world have developed to go hand in hand with our military defense. The goal has been to increase the total strength of the free nations in relation to that of the Soviet bloc. The method of implementation is identified in the public mind almost exclusively with the denial of strategic goods to the bloc.² ("Strategic," incidentally, is a relative term, meaning goods which make a significant contribution to war-making power. It is not always easy to arrive at a judgment as to whether a given commodity is strategic and, if so, how strategic.)

But the program is much broader and much more complicated than that. For example, another important economic defense objective is to lessen, or prevent the growth of, significant dependence by free-world countries on trade with the bloc. In the long run, this objective is apt to be attained not so much as a result of "economic defense" measures as such but rather from whatever progress is achieved in our other, broader programs directed to solving some of the more basic economic problems of the free world.

I have good reasons for using the term "economic defense" rather than "economic warfare." Economic defense is not merely a soft phrase for economic warfare; neither is it a concept of soft-

ness or passiveness which accepts the proposition that the initiative invariably rests with the opposing side. "Defense" describes the program better than "warfare" and represents a distinct concept. It is aimed at more precise and more limited objectives. It involves an entirely different method of execution. It is carried out internationally in a different political and military context. For instance, while our allies have been willing to accept measures immediately or proximately related to the Soviet-bloc war potential, they would not be willing to accept measures directed against the general economic well-being of the Soviet-bloc populations.

Now there are some who would urge that we abandon our present policies of economic defense and engage in economic warfare with the Soviet bloc, cutting off all economic dealings between East and West. This, to my way of thinking, would be unnecessary and highly undesirable in the light of the international political realities with which we have to contend. Such a course of action would involve the risk of precipitating the general war we wish to avoid; would gravely threaten the political and military alliances within the free world; and might even do more damage economically to certain countries of the free world than to the Soviet bloc.

The selective approach embodied in the economic defense program which we have evolved with our allies is deemed adequate to safeguard our essential security interests in economic dealings with the Soviet bloc. This program is dependent for its effectiveness upon the active and sincere cooperation of our principal allies. We can achieve our objectives under this program neither by unilateral action nor by the application of coercion upon our allies. If we were to press our other sovereign partners in this effort further than they feel they can freely go, we would put the whole security trade control system in jeopardy. Finally, there is, beyond the relatively narrow field of economic defense, the wider and more fundamental objective of unity among the free nations, which it is in our highest security interests to foster and preserve.

Economic Warfare

"Economic warfare" is a relatively simple concept. Its basic objective is the absolute reduction of the enemy's strength by denying him access

² For a summary of U.S. policy on strategic trade controls, see BULLETIN of May 31, 1954, p. 843.

to outside economic resources of every kind. Its method of operation is total embargo, mainly enforced by naval blockade but supplemented by collateral measures such as preclusive buying, blacklisting, and financial controls. Other measures of economic warfare include the following in their extreme forms: export controls, import controls, transportation controls, transit trade controls, and communications controls. All of these can be further subdivided—transportation controls, for instance, into shipping and aircraft controls, closing of railroads and highways, closing of international canals and other waterways, denial of port, repair, and bunkering facilities, etc. Or financial controls might be broken down into measures prohibiting transfers of funds, sterilizing gold, blocking external assets, etc.

The carrying out of economic warfare by a number of allied nations requires the highest degree of political unity among them—so high, in fact, that it is rarely achieved except during an all-out shooting war. The limitations of economic warfare are often underestimated, by the way. Even if we were to assume that all of our free-world partners on whose adherence we set store would join us in a full-scale embargo of the U.S.S.R., the economic impact on the Soviet Union would be less impressive than is sometimes assumed.

I hold this view because, in terms of relative economic magnitudes, foreign trade plays a minor role in the buildup of Soviet-bloc strength. At the present time trade between the free world and the entire Soviet bloc is estimated to amount to about one-half of one percent of the bloc's total gross national product—that is, one-half of one percent of all the goods and services produced in the bloc in any given year. In dollar figures free-world exports to the Soviet bloc, including Communist China, in 1953 amounted to about \$1.4 billion; Soviet-bloc exports to the West were about \$1.6 billion. By way of comparison, the United States itself exported about \$16 billion in 1953 to all countries and imported about \$11 billion. Our exports, although large in absolute terms, constitute only about 5 percent of the national income. These figures give some idea of the relatively limited exchange of goods between the free world and the Soviet bloc.

Moreover, as long as the Soviet bloc maintains its present political orientation and totalitarian organization, it will not allow itself to become too dependent on trade with the free world. The

Soviet bloc's objective is to achieve "independence of the need to import" or, stated another way, invulnerability to outside pressure. Accordingly, by and large, its military and industrial machine will be built and maintained on its own resources. It can achieve this aim because it has abundant natural resources and is able to shift its productive facilities and manpower—within limits, of course, but in a way that is sometimes brutally uninhibited.

On the other hand, the low total level of the Soviet bloc's imports from the West tends to understate the relative importance of the products which the bloc has obtained. The ingredient for industrial growth which the Soviet bloc seems most to have lacked in the past has been mechanical and engineering skills. These skills are embodied in the goods the Soviet bloc has been most anxious to obtain—machinery, machine tools, and the like. The Soviet bloc also has lacked copper, natural rubber, and industrial diamonds. Limitations on the export of these tools and materials probably have slowed up the industrial growth of the Soviet bloc to a modest extent during the last few years, and this is the reason why we continue to work hard on the program. But it is doubtful that these measures have, or ever could, really hurt the overall Soviet-bloc economy in any vital way.

Economic defense is a much more subtle and complex idea than economic warfare. The objectives are relative rather than absolute. The broad political purpose is not to prosecute a present war successfully but to prevent a general, all-out shooting war. The economic purpose is to increase military and economic strength of the allies in relation to that of the potential enemy. Thus, economic measures which weaken the Soviet bloc but at the same time weaken the allies more than they do the bloc are not effective for economic defense. The political cohesion among allies forged in the heat of actual war is not available for the execution and enforcement of economic defense operations. Enforcement rests not on naval blockade but on the export, shipping, transit, and transaction controls of the individual governments concerned and the efficiency of their intelligence services. Diplomacy, accordingly, plays a much more predominant role in economic defense than in economic warfare.

Let us put it another way. The conduct of economic defense places on us the same demands of care, tact, consistency, yet flexibility, which must

characterize all of our efforts in the foreign policy field. And we must not become so preoccupied with the pursuit of particular economic defense objectives that we not only do violence to the economic defense program itself but also jeopardize the achievement of more important objectives.

Here are two examples of how economic defense considerations and other kinds of economic considerations are intertwined with political and security factors.

Denmark as an Example

Our economic, political, and security problems with Denmark can be summarized as follows. Politically and strategically the Danes have in the past pursued a policy of neutrality, in line with Scandinavian tradition. Danish participation in NATO, the development of a Danish defense force, and Danish cooperation in Greenland are a definite abandonment of that policy. Denmark has proved herself a loyal member of the East-West trade control system, even at the expense of trade that is vital and important to her. The Danish Government now faces a difficult economic situation which makes offers of trade with Soviet-bloc countries seem all the more attractive. These offers become even more enticing when the West shows signs of increased protectionism. High tariffs, imposition of quantitative restrictions, and restrictive state trading are creating great hardships for Denmark, which is a very efficient producer in certain fields.

It is therefore readily apparent why, in our own security interest, we must weigh our economic actions carefully and consider their impact on our political and security objectives. Insofar as Denmark is concerned, we must keep uppermost in our minds that we wish to have Denmark's continued cooperation in the free world's defense effort and that any restrictive economic action which threatens that objective should be avoided. The same interrelationship of our economic actions with our political and defense objectives extends to all areas of the free world.

Situation in Japan

Let us go to the opposite side of the globe—to Japan. The economic situation there gravely concerns the United States and the entire free world. Should the economy deteriorate substantially,

Japan might well lose her freedom. A significant drop in consumption levels would create social unrest and political instability which would invite subversion from within. The country would be unable to defend itself and would require U. S. military forces in and around Japan for an indefinite period. If this is to be prevented, Japan must take vigorous measures to strengthen her economy and the free world must be willing to trade with Japan on a substantially increased scale.

Should Japan lose her free status as a result of future aggression or internal upheaval and come under Communist domination, the present balance of world power would be drastically altered. The Kremlin leaders covet Japan's industrial power just as they covet that of Western Germany.

Japan is about the size of the State of California. However, only 16 percent of the country's area, or 23,000 square miles, is arable. Her population of 88 million is far more tightly packed on limited arable land than is the population of Britain. In Japan the population per square mile of arable land is 4,400, compared with 1,800 in Britain and 225 in the United States. Moreover, Japan suffers generally from a scarcity of natural resources. She must rely completely on foreign supplies for five of the principal commodities she requires: phosphate rock, raw cotton, wool, bauxite, and crude rubber. She is also highly dependent on imports for iron ore, coking coal, petroleum, tin, and lead.

These few facts are evidence of the impossibility of self-sufficiency for Japan. But they do not rule out the possibility of Japan's attaining a respectable degree of self-support. Japan's large, diligent, and skillful population is an asset not to be discounted. By importing raw materials in large quantities and exporting manufactured goods in adequate quantities, Japan can realize a margin of profit sufficient to maintain her industrial establishment and provide her people with a decent standard of life. The very nature of this solution to Japan's problem of survival, however, reveals her utter dependence upon foreign trade. And this solution will be reached only if the free-world markets are open to Japan.

At this point one might well ask what Japan's trade has to do with the economic defense program. The answer is Japan's economic and geographic situation in relation to the vast hinterland of Communist China, which would seem to be Japan's natural trading partner. Indeed, during 1938–

39 the China mainland, including Manchuria and Kwantung, absorbed one-third of Japan's exports and supplied Japan with one-sixth of her imports. Now, less than 2 percent of Japan's \$4 billion foreign trade is conducted with Communist China. Obviously the loss of this prewar trade, along with the loss of the former colonies of Formosa and Korea, has had a grave impact upon Japan's economy.

For a number of basic reasons it is unrealistic to expect that Japan's trade with the China mainland can ever regain its prewar importance. But there are businessmen and officials in Japan who wishfully think otherwise or, at least, would like to test this conclusion. But Japan, like Denmark, is a loyal member of the East-West trade control system and, together with the other countries cooperating with the United States in this system, maintains a strategic embargo against Communist China and North Korea much more sweeping than that in effect against the European Communist states. With the limitations on trade with the China mainland imposed by security considerations on the one side and, more important, by the Communists themselves on the other, Japan must look to the free world for increased trade—which puts us right back where we were a moment ago.

What are we doing about it? Well, the United States began negotiations in February at Geneva, Switzerland, for the purpose of bringing Japan into the General Agreement on Tariffs and Trade.³ We have supported Japan's effort to become a party to the GATT because we feel that Japan's full accession to the General Agreement would be the biggest single step which could be taken to increase Japan's trade with the free world. We are therefore negotiating with Japan directly and also stand ready to offer tariff concessions to third countries which negotiate with Japan, if such concessions will help them grant more benefits to Japanese exports than they could otherwise offer.

U. S. Government's Economic Role

In considering the economic defense and other programs through which we pursue our foreign policy objectives, we must constantly keep in mind that our concept of the proper role of government in economic affairs is much narrower than that of most other countries. For us the major normal function of government in the economic sphere is

to create a climate in which private enterprise can flourish free from artificial restraints. This basic creed is carried over into our economic relations with other countries. Our principal specific programs aim at the removal of artificial restraints on the movement of goods, services, and capital, whether publicly or privately imposed. We seek to reduce tariffs, eliminate quota restrictions, get rid of cartels, do away with exchange restrictions, and remove restraints on foreign investment. We feel that government should interfere as little as possible with the free market.

This concept of the role of government is not shared or understood by many other countries of the free world. To them there appears to be a contradiction between our vast responsibilities as leader of the free world and what seems to them the absence of a bold, positive, and constructive program except in time of emergency. This different concept of the function of government gives rise to a certain amount of misunderstanding and disappointment abroad in regard to our economic policies. It explains why we are restricted in what our Government can do economically in peacetime. It is something that we constantly have to clarify to our friends abroad as we seek to move forward on both the security and the economic lines, and I submit we need to move forward on both.

The President's Program

Let us now turn to another aspect of this very broad problem, namely the President's foreign economic program. I think this program is an important means of making significant advances toward U.S. foreign policy objectives in the power struggle with the Soviet bloc.

We have seen that the impressive postwar rate of European industrial activity is unlikely to be maintained. We have seen that the United States and the Soviet Union are outstripping Western Europe in economic growth. We have noted that further European progress depends upon breaking certain bottlenecks. We have expressed the hope that full-scale, decisive military conflict with the Soviets may be staved off indefinitely, in part by the sheer horror it invokes. We have also noted that even full-scale economic pressure on the Soviet Union has extremely limited potentialities. We have cited the key importance of the underdeveloped countries of Asia as vital cold-war battle-

³ *Ibid.*, Feb. 28, 1955, p. 359.

grounds in themselves and also as crucial elements of continuing free-world economic growth. We have also stressed the need for convincing the nations whose support we seek that it is not the United States which keeps them from attaining their sometimes exaggerated aspirations.

If further aid to Europe has limited prospects and massive aid to Asia cannot be effectively absorbed, what measures are open to us to promote economic growth and confidence in U.S. leadership?

One very important answer is a trade program which will (1) keep open the prospect of expanding trade and growing living standards and (2) provide a day-to-day demonstration of U.S. willingness to join with others in the cooperative resolution of problems of vital economic concern through the GATT.

These are precisely the aims of the President's program on foreign economic policy, which he submitted to the Congress on January 10.⁴ The main parts of that program are:

1. *Tariff Reduction.* A moderate, gradual, and reciprocal program of cuts was proposed. The President requested a 3-year extension of the Trade Agreements Act, which now gives him limited authority to lower tariffs in exchange for considerations by other countries. Under the proposed extension he would be authorized to reduce rates by as much as 5 percent each year for 3 years. The safeguards are important since stability of our policy is crucial.

2. *Customs Simplification.* Further simplification of complex commodity definitions, classifications, and rate structures and better standards for valuation of imports were recommended. The President also promised further efforts to improve customs administration.

3. *Foreign Investment.* The increased flow abroad of United States private capital, particularly to less developed countries, would contribute greatly to the expansion of two-way international trade and do much to offset the false but alluring promises of the Communists, the President said. He proposed taxation of business income from foreign subsidiaries or branches at a rate 14 percentage points below the rate on domestic income of corporations. Another recommendation was

⁴ *Ibid.*, Jan. 24, 1955, p. 119.

for U.S. participation in a proposed \$100-million International Finance Corporation to assist private enterprise in underdeveloped countries.

4. *Technical Cooperation.* The United States has a vast store of practical and scientific know-how that is needed in the less developed areas of the world. United States participation in technical cooperation programs should be carried forward.

5. *Encouraging International Travel.* Encouragement given to travel abroad is extremely important, both for its cultural and social importance in the free world and for its economic benefits. The President suggested that Congress increase the present \$500 duty-free allowance for tourists to \$1,000, exercisable every 6 months.

6. *Encouraging U.S. Participation in International Trade Fairs.* Soviet and satellite exhibits in international trade fairs in the last few years have been well planned to convey the impression that the U.S.S.R. is producing on a large scale for peace and is creating a paradise for workers. The United States, which has a larger volume of international trade than any other nation, until recently was conspicuous by its absence at these trade fairs. The President's message outlined the recently instituted program of encouraging participation by United States concerns in international trade fairs. At the first fair in which the United States presented a central exhibit, at Bangkok in December 1954, our exhibit was awarded first prize. Over 100 American companies contributed to this exhibit.

7. *Convertibility.* Steady progress, particularly by Western European countries, is being made toward our mutual objective of restoring currency convertibility, which is necessary to a steadily rising volume of world trade and investment. We believe that our total foreign economic policy can make an important contribution to the achievement of convertibility.

8. *Official U.S. Participation in the GATT.* The General Agreement on Tariffs and Trade provides a code which minimizes the impairment of tariff reductions through ingenious restrictive devices such as quotas, internal taxes, etc. It also sets up procedures for resolving disputes. It has significantly contributed to a substantial growth of trade in the turbulent postwar period. It provides a forum for building confidence in the free world's capacity to settle issues where there are

genuine concrete conflicts of commercial interest at stake.

These then are some of the areas and methods through which the United States is exercising its leadership in promoting the achievement of those high levels of trade that are designed to enhance the economic strength of the free world upon which the freedom and security of all depend. Some of the measures I have enumerated above are quite pedestrian, but, after all, many of history's profound and lasting changes occurred through successive modest steps over a long period of time. No one of the measures by itself will make for spectacular progress toward the desired end; all of them taken together, however, can have a significant impact.

The United States has available still other positive programs and instruments designed to inspire hope abroad and to have a multiplier effect in the direction of steady economic improvement. These include a modest amount of economic aid (mostly in Asia), the disposition of agricultural surpluses, the lending activities of the Export-Import Bank, and our participation in the International Bank for Reconstruction and Development.

We should never lose sight of the fact that the United States is pushing these positive and imaginative measures in its own interests as well as in the interest of the economic well-being of the entire free world. It should be emphasized that the ends are good in themselves and not merely a defense against communism. We would be pursuing these ends even if the Communist menace did not exist.

• *Mr. Kalijarvi, author of the above article, is Deputy Assistant Secretary for Economic Affairs. His article is based on an address made on March 22 before the Georgetown University Air Force ROTC, Washington, D. C.*

Agreement Signed for Sale of Cotton and Tobacco to Finland

Press release 248 dated May 6

An agreement was signed in Helsinki May 6 between the Government of Finland and the Government of the United States providing for the sale to Finland under Public Law 480, 83d Congress, of United States agricultural commodities valued at \$5,250,000. Ambassador Jack K. McFall signed for the United States, and Minister

Gunnar Palmroth, Director of Economic Affairs of the Finnish Foreign Ministry, for Finland.

Under the agreement Finland is obtaining approximately \$3,000,000 worth of cotton and \$2,250,000 worth of tobacco. These commodities will be sold to private Finnish importers and the local currency (Finnmarks) received in payment will be used for U.S. Government purchases of Finnish products.

This transaction is additional to a \$5 million sale of U.S. cotton and tobacco to Finland in February 1954 and a sale this year of about \$2,000,000 worth of U.S. coal. These commodities were also sold for Finnmarks. The proceeds of last year's sale were set aside for the purchase of Finnish forest products, and the equivalent in Finnmarks of \$1,200,000 has already been expended for Finnish lumber products which were sent to Greece for use in reconstruction in the Ionian Islands necessary as a result of earthquake damage. With regard to the sale of coal, shipments are in progress and the proceeds from this sale will also be used to purchase Finnish forest products.

Shipment of the cotton and tobacco to Finland under Public Law 480 will bring to about \$11 million the total amount remaining available in Finnmarks under these transactions.

After discussions with the Finnish Government, the United States has expressed its intent to utilize the major portion of the available Finnmarks for the purchase of Finnish prefabricated buildings. Through the use of these funds the United States expects to be able to provide a temporary cushion of assistance to the Finnish prefabricated housing industry, which has suffered a sharp curtailment of its exports due to a large reduction in Soviet purchases.

It is anticipated that prefabricated buildings purchased from Finland will be utilized to meet housing needs arising in connection with U.S. Government programs in other countries.

Supplemental Agricultural Agreement With Turkey

Press release 234 dated April 28

On April 28 Assistant Secretary of State George V. Allen, representing the U.S. Government, and Melih Esenbel, Deputy Secretary General of the Turkish Ministry of Foreign Affairs, concluded negotiations which will make additional U.S.

agricultural commodities available to Turkey. It was agreed that the remaining 175,000 tons of grains of the second part of the November 15, 1954, agreement¹ are required to meet the continuing emergency grain needs of Turkey. A supplemental agreement was also signed.

Under the terms of this supplemental agreement, approximately 11,900 metric tons of U.S. cottonseed oil (basis once-refined oil) will be sold for Turkish lire, in accordance with Title I of Public Law 480, 83d Congress, and approximately 9,000 metric tons of U.S. wool are proposed for exchange for Turkish manganese and chrome ore, under the provisions of Title III of the same act.

The Turkish lire derived from the purchase of grains with Foa defense support funds will be used for the Turkish armed forces, and those resultant from Department of Agriculture sales of grain and cottonseed oil will be used for U.S. expenses in Turkey and for loans for the promotion of Turkish economic development.

President Asks Investigation of Certain Cheese Imports

White House press release dated April 9

The President announced on April 9 that he has directed the U.S. Tariff Commission to make an immediate investigation to determine whether certain imports of cheeses should be made subject to the Presidential proclamation of June 1953² which established annual import quotas for certain manufactured dairy products, including specified types of cheeses.

The President acted pursuant to a request from the Secretary of Agriculture. For reasons of language, some imports of cheeses, either because of the ingredients they contain or the way in which they are packaged, have not been regarded by the Bureau of Customs as subject to the Presidential proclamation. The Department of Agriculture, however, views these cheeses as indistinguishable from those admittedly covered by the proclamation and considers their uncontrolled importation a serious threat to the effectiveness of the proclamation.

Pursuant to section 22 of the Agricultural Adjustment Act, as amended, annual import quotas for certain manufactured dairy products, includ-

¹ BULLETIN of Nov. 29, 1954, p. 814.

² *Ibid.*, June 29, 1953, p. 918.

ing specified types of cheeses, were established in June of 1953 by Presidential Proclamation 3019 (8 June 1953), as amended by Presidential Proclamation 3025 (30 June 1953).³ The Department of Agriculture seeks modification of this proclamation.

In his letter to the Tariff Commission the President asked that the Tariff Commission's investigation and report of its findings and recommendations be completed as promptly as practicable in order that a final decision in this matter might be made at the earliest possible date.

The Tariff Commission's investigation will be made pursuant to section 22 of the Agricultural Adjustment Act, as amended.

Agreement With Israel for Sale of Surplus Commodities

Press release 236 dated April 29

Deputy Assistant Secretary of State John D. Jernegan, representing the U.S. Government, and Ambassador Abba Eban, representing the Government of Israel, on April 29 signed an agreement providing for the sale of \$8.3 million worth of U.S. surplus commodities.

Effective immediately, the U.S. Government will, under Title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Congress), begin furnishing Israel with approximately 50,000 metric tons of wheat, 33,000 cwt. of rice, 6,000 bales of cotton, 250,000 lbs. of tobacco, 1,000 metric tons of butter, 40,000 metric tons of feed grains, and 2,228 metric tons of cottonseed oil.

The Israeli pounds derived from the purchase of these commodities will be used for various purposes, including U.S. expenditures in Israel, and some will be loaned for the promotion of Israeli economic development.

Mrs. Hottel Confirmed to U.N. Social Commission

The Senate on April 20 confirmed Althea K. Hottel to be U.S. Representative on the Social Commission of the U.N. Economic and Social Council for the term expiring December 31, 1957.

³ *Ibid.*, July 13, 1953, p. 62.

The Department of State and the Quest for Quality

by *Harold B. Hoskins*
*Director of the Foreign Service Institute*¹

I am happy to have the privilege of reading to you a message from the Secretary of State, John Foster Dulles:

It is encouraging to me to learn that the College English Association is devoting its Institute conference this year to the theme, "Liberal Education, Industry, and the Quest for Quality."

I am particularly pleased that you have invited participation by the Department of State in your consideration of this theme. At no time in our history has it been more important for our country to develop to the utmost the innate abilities of its citizens and especially of those who will be entering the service of the Government both in Washington and in our many Foreign Service posts abroad. It is my hope that the discussions at your conference will produce some useful suggestions on the most effective means for accomplishing this difficult task.

A year ago—I choose this point of time for reasons that will appear in a moment—the Foreign Service Officer Corps consisted of 1,285 men and women. These careerists in diplomacy, the "eyes and ears of the Government abroad," staffed the 68 embassies, 9 legations, and 167 consulates which the United States maintained in 105 countries. Upon them rested the responsibility of guarding and forwarding the ever-growing business of the United States with other nations. They negotiated treaties, carried out the stipulations of laws enacted by Congress, and executed the policies determined by the President and the Secretary of State. Their judgment, accuracy, and penetration, the objectivity of their reports, their precision and clarity of expression, were the ingredients from which our foreign policy was being determined. It is no more than a simple

statement of fact to say that these officers were our first line of peacetime defense.

This corps of professional officers did not grow in proportion to the expanding requirements of the Foreign Service. Since World War II, appointees to class 6 combined with lateral entrants were not sufficient to compensate for normal attrition, leaving the United States Government shorthanded in its representation abroad.

Here I must make it clear that, despite increasing and ever-widening responsibilities, the quality of work at our overseas posts was not permitted to drop. The added burdens of the regular diplomatic and consular officers were shared by two other groups in the Foreign Service. One of these groups was made up of members of the Foreign Service Staff Corps, a regularly constituted body of administrative personnel, stenographers, clerks, and other employees intended to perform services ancillary to diplomatic and consular work. The other group was made up of Foreign Service Reserve officers, mostly specialists in various fields who received limited appointments to perform specific assignments. Many individuals in these two groups also served with competence, often with very marked skill, in the diplomatic and consular areas of activity. The delay or inability, through legislative or other impediment, to induct the ablest Staff and Reserve officers into the Foreign Service Officer Corps inflicted invidious penalties on some persons concerned and deprived the Foreign Service of talented and experienced career officers.

I shall not go into the numerous reasons why little had been done to improve the state of affairs described above. That it was deplorable and required correction had for some time been well

¹ Address made before the College English Association Institute at Schenectady, N. Y., on Apr. 5.

known. Commissions had been appointed to investigate it. Recommendations had been made. Laws had been written. In a way the situation was suggestive of Mark Twain's observation on the weather: everybody talked about it, but nobody ever seemed to do anything.

Public Committee on Personnel

On March 5, 1954, a Public Committee on Personnel, consisting of eight highly qualified men under the chairmanship of President Henry M. Wriston of Brown University, was established to make recommendations to the Secretary of State "concerning the measures necessary to strengthen the effectiveness of the professional service to a standard consistent with the vastly increasing responsibilities in the field of foreign policy. . . ."

Some 10 weeks later, on May 18, the committee submitted their recommendations for improving the Foreign Service of the United States. The major elements of the Wriston Report, as it is popularly called, were promptly approved by Secretary Dulles and President Eisenhower. Instructions followed immediately to put the new program into action. Considerable progress has already been made toward implementing the recommendations of this report.

The essence of the Wriston Report is that the Foreign Service Officer Corps be gradually increased from the 1,285 officers it contained a year ago to a maximum of 3,900 officers. They are to be obtained in two ways: (1) by integration, that is by induction, at grade and salary levels commensurate with individual qualification, from the Foreign Service Reserve and Staff Corps and from Civil Service employees in the Department of State; (2) by recruitment of a larger number of young men and women, chiefly to be drawn from the colleges and universities, to enter the Foreign Service at the bottom, or in class 6. Of these two methods the former is intended to be used on a large scale for a limited time only. Thereafter, except in relatively rare cases, Foreign Service officers will enter only at class 6, at a rate that is planned to be 250 to 300 a year. This is the annual increment which it is estimated will be needed to keep the Foreign Service at full strength.

Since the new plan got under way less than a year ago nearly 500 Reserve, Staff, and Civil Service officers have been commissioned as Foreign

Service officers. By next fall it is expected that the program known as "lateral entry" or "wristonization" from the collateral services will have been substantially completed.

Special Training

From this brief report on primary problems and the avenues of solution I turn now to an inseparable matter of basic concern. I quote from the Wriston Report:

Stimulating a steady flow of good material into the Foreign Service is only one part, perhaps the most simple part, of the long-range personnel problem. Even more important is the kind of special training, on the job and otherwise, that is accorded this material after it passes into the Service's hands.

The need for special on-the-job or in-service training was not a discovery of the Wriston Committee. As far back as March 1947, as provided in the Foreign Service Act of 1946, the Department of State established an educational unit in Washington named the Foreign Service Institute. Its functions were three:

(1) To provide short courses described as "orientation" and "procedural training." Virtually indoctrination in governmental routines, these courses were helpful primarily to new clerical employees.

(2) To provide training in foreign languages. I will remark only that such courses as were offered proved to be inadequate.

(3) To take officers in mid-career and, before advancing them to posts where breadth of judgment, experience, and clarity of expression are essential, to give them further training in some of the practical problems of higher office and possible techniques of solving them. A beginning was made, though at a lower level than would have been desirable. For various reasons, including the unavailability of mid-career officers because they could not be spared from their posts, this important function of the Foreign Service Institute soon was totally suspended.

Here I quote again from the Wriston Report:

The Committee strongly recommends . . . that the Institute be given a status equal to that of the war colleges; that the faculty be recreated at once, and the curriculum revised

These are strong words. They have been taken with literal seriousness by the Secretary of State. And I as the new Director of the Institute have

been instructed to translate them into action.

Everything that I have said so far has been directed primarily toward providing you with evidence that we need and are determined to have a Foreign Service Officer Corps of the highest quality that can be organized. Despite some obvious difficulties I do not doubt that we shall continue to attract to the Foreign Service men and women of very high caliber. That we shall provide these men and women increasingly—and again I quote the Wriston Committee phrase—with the *even more important* special in-service training needed to enhance their usefulness in the Service is our determined objective.

Need for Public Support

This is primarily the responsibility and the privilege of us who are in positions of responsibility in the Institute, and I for one have taken up this work gladly and optimistically. But to be successful we shall have to win the support for this enterprise of many and varied groups. I have already found considerable support and enthusiasm in the State Department and in the Foreign Service. I hope we shall find it abundantly outside, and especially in the colleges and universities.

This is my first attendance at a conference such as this one. I am grateful for your invitation to speak to you and to outline the situation as I see it. I shall be even more grateful for any help or suggestions you can give us, looking to a solution of some of our training problems.

I also value this chance to reestablish—perhaps I should say, to repair—relations between the Foreign Service and the universities. They have been, however unintentionally, on the thin side in recent years. Now a brisk improvement is under way, and your campuses, our best and most natural source of Foreign Service candidates, will in the future see regular visits by representatives from Washington who will hope to interview and to *sell* some of these young people on a Foreign Service career. We have permanently discarded the theory attributed to Emerson that if you make a better mousetrap than your neighbor, the world will beat a pathway to your door. Instead, we realize very well that we shall be competing, along with the great corporations, for the services of promising university graduates and undergraduates. What is good for General Motors, U. S.

Steel, General Electric, Du Pont, Metropolitan Life, American Machine and Foundry, and other large corporations is from now on going to be good also for the Foreign Service! And we hope you will help us by urging some of your students to consider carefully the desirability of choosing the Foreign Service of the United States as a career.

English-Language Training

I can tell you that this is an exciting time in the Foreign Service Institute. For all of us are stimulated by the opportunity to make of it a more potent force in education and in the development of a better trained Foreign Service. A great deal of work has already gone into developing an enlarged training program to fit the expanded needs of the Government in foreign affairs. But at the moment our plans are still fluid. First of all, the Foreign Service needs officers competently trained in the English language. I am not emphasizing the need for greater facility in English because I want the approbation of an audience professionally occupied with the English language. We need to demand of our officers the same competence in English that we would expect to find in any of you who might apply for commissions in the Foreign Service. We must be sure that every officer knows how to *read*—to comprehend, to analyze, and to criticize—before we promote him to a post of higher responsibility. We are going to be sure that he can *write*—that his grammar is unfailingly sound, that his style is lucid, that his coverage of topic is complete, and that he can draft reports that are short and clear. And we are also going to be sure that he can *speak* effectively and persuasively, whether to a small group seated around a table or to a larger audience. Nor shall we neglect instruction in the techniques of radio and television.

Foreign-Language Training

Closely bound to the elemental need for complete facility in English is the need for greater ability in foreign languages. The linguistic competence of American overseas personnel is not nearly so high as it should be. It is no secret that our schools and colleges have not been conspicuously successful in the field of teaching foreign languages. There is a critical need for more research in linguistics and in methods of increasing both the

speed of acquisition and the mastery of foreign tongues. The Foreign Service Institute at one time participated actively and valuably in such research, but its program was virtually destroyed.

I feel very strongly, too, that the nearly universal American weakness in foreign languages is directly related to the slovenly English which assails our eyes and ears on all sides. Our mother tongue has been debased. How can we expect to educate a man in the use of Spanish, French, German, or Russian when he is practically illiterate in English? It is a truism that no one can take from a foreign language any more than he can bring to it.

If you of the College English Association can give us useful suggestions, I can assure you that we will use them. They will be welcome in respect to any area of education for Foreign Service officers and not just in the area of English. Now is a particularly useful moment for us to receive them. A good bit of thinking and planning in regard to training has been done in recent months in the Department, but as yet no final decisions have been taken. However, in a few weeks time we shall have to make some firm decisions as to the courses and training that we plan to give. We shall be glad to have your ideas regarding the content as well as the duration of in-service training for three major training periods of an officer's Foreign Service career:

Initial - for FSO-6's, the lowest grade, as they enter the Foreign Service.

Mid-career - after an officer has served 6 to 8 years.

Advanced - training for FSO-2's and 3's, who have served 15 to 20 years.

And now in closing may I repeat something that I said a few moments ago? I am grateful to you for the opportunity to come here. We want your help. Secretary Dulles was making more than a mere gesture of politeness when he ended the message which I read to you by saying: "It is my hope that the discussions at your conference will produce some useful suggestions on the most effective means for accomplishing this difficult task."

Recent Releases

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The General Conference of the United Nations Educational, Scientific and Cultural Organization. Pub. 5777. International Organization and Conference Series IV, UNESCO 26. 14 pp. Limited distribution.

An informal report by the U.S. delegation to the Eighth Session of the General Conference held in Montevideo, Uruguay, from November 12 to December 10, 1954. It records the highlights and significance of the meeting from the point of view of the U.S. citizens who attended the meeting as official representatives of their Government.

Report of the United States of America to the United Nations Educational, Scientific and Cultural Organization. Pub. 5791. International Organization and Conference Series IV, UNESCO 27. 28 pp. Limited distribution.

A report of the United States of America describing its activities in carrying out the program and objectives of the United Nations Educational, Scientific and Cultural Organization during the calendar years 1952 and 1953.

Return to Federal Republic of Germany of Certain German Naval Vessels Allocated to the United States by Tripartite Naval Commission. TIAS 2891. Pub. 5386. 21 pp. 15¢.

Agreement, with Annex, between the United States of America and the Federal Republic of Germany—Signed at Bonn August 20, 1953. Entered into force August 20, 1953.

Air Transport Services. TIAS 2892. Pub. 5390. 23 pp. 15¢.

Agreement, with Annex and Schedule, between the United States of America and Cuba—Signed at Habana May 26, 1953. Entered into force June 30, 1953.

Health and Sanitation—Cooperative Program in Peru—Additional Financial Contributions. TIAS 2894. Pub. 5400. 4 pp. 5¢.

Agreement between the United States of America and Peru. Exchange of notes—Signed at Lima January 30, 1952, and April 9, 1953. Entered into force April 9, 1953; operative retroactively May 16, 1952.

Emergency Wheat Aid to Afghanistan. TIAS 2896. Pub. 5396. 4 pp. 5¢.

Agreement between the United States of America and Afghanistan. Exchange of notes—Dated at Washington January 8, 1953. Entered into force January 8, 1953.

Health and Sanitation—Cooperative Program in Panama—Additional Contributions. TIAS 2897. Pub. 5438. 4 pp. 5¢.

Agreement between the United States of America and Panama. Exchange of notes—Signed at Panamá February 11 and April 9, 1952. Entered into force April 9, 1952.

The Making of Treaties and the Conduct of Foreign Affairs

Statement by Secretary Dulles¹

S. J. Res. 1 of the 84th Congress would amend the United States Constitution in regard to the making of treaties and the conduct of foreign affairs generally.

The resolution has two substantive sections. Section 1 says (a) that "A provision of a treaty or other international agreement which conflicts with this Constitution . . . shall not be the supreme law of the land nor be of any force or effect"; and (b) that the same is true if the treaty or international agreement "is not made in pursuance" of the Constitution.

Section 2 would do away with the present provision that treaties are the "law of the land" and require (a) that treaties or other international agreements "shall become effective as internal law . . . only through legislation"; and (b) that the legislation must be legislation which would be "valid in the absence of international agreement."

Section 1

The portion of section 1 which deals with the supremacy of the Constitution is urged on the ground that the Constitution does not now indicate the relative supremacy of the Constitution itself and treaties made "under the authority of the United States." It is suggested that recent developments in the field of international relations and recent judicial opinions make it desirable that the Constitution itself make it clear that, if there is a conflict between a treaty or executive agreement and the Constitution, the Constitution will prevail.

Senator Bricker, in his able statement before this Committee on April 27, 1955, said that "the most

important part of the amendment" is that which provides that "an executive agreement which conflicts with the Constitution shall not be of any force and effect." He went on to say, "The next most important objective is to prevent treaties from overriding the Constitution."

Thus, the most important and next most important objectives of the proponents of the Constitutional amendment would be accomplished by so much of section 1 as provides:

A provision of a treaty or other international agreement which conflicts with this Constitution . . . shall not be . . . of any force or effect.

Many feel that decisions of the United States Supreme Court now adequately and authoritatively establish a proper balance between treaties and the Constitution and make it clear that the Constitution cannot be violated by treaties or executive agreements. Nevertheless, as President Eisenhower has said, there does exist within the country a certain fear that treaties, or even executive agreements, might supersede the Constitution. Therefore, the President has said that he would find it acceptable to have a Constitutional amendment reaffirming that any provision of a treaty or international agreement which conflicts with the Constitution should not be of any force or effect. I fully concur in this position.

Section 1 of the proposed amendment goes, however, considerably beyond this. It says that treaties or international agreements are of no effect unless made "in pursuance" of the Constitution. This further condition was not embodied in S. J. Res. 1 (83d Cong.) as reported by this Committee.

The Constitution now distinguishes between Federal laws and national treaties. Federal laws must be made "in pursuance" of the Constitution. But treaties are only required to be made "under the authority of the United States." There are different theories to explain that difference.

¹ Made before the Subcommittee on Constitutional Amendments of the Senate Judiciary Committee on May 2 (press release 238), in regard to S. J. Res. 1, "Proposing an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and other international agreements."

One theory is that the present language was designed merely to preserve treaties which had been concluded prior to coming into force of the Constitution and which, therefore, could not have been made "pursuant to" it. One example is the Treaty of Peace of 1783 between the United States and Great Britain, which gave this Nation its independence.

Thus, it may be that the effect of this portion of the proposed Constitutional amendment is merely to invalidate treaties made before the adoption of the Constitution in 1788.

However, there is another theory, which is that suggested in the Migratory Bird Case of *Missouri v. Holland*. It was there indicated that the phrase "in pursuance" of the Constitution was used relative to statutory laws because the Federal branch of the Nation was limited to the exercise of expressly delegated powers; but that different language was used in relation to treaties because, in the field of foreign affairs, the President and the Senate were to act for the Nation as a whole.

If this interpretation is accepted, the result of applying the "pursuant to" clause to treaties might be to invalidate that large part of our existing treaty structure which is applicable to States and to create, for the future, the very situation of impotence which the Constitution was designed to end.

As President Eisenhower pointed out on April 27, 1955, "The Constitution had as one of its principal reasons for coming into being the conduct of the foreign affairs of the United States as a single unit, not as 48 States."

I shall discuss this point further in relation to section 2 of the proposed amendment, which raises the problem explicitly.

Section 2

Section 2 of the proposed joint resolution reads:

A treaty or other international agreement shall become effective as internal law in the United States only through legislation valid in the absence of international agreement.

This is a revolutionary provision. Under our Federal system of government, certain legislative powers are vested in the Federal Government and other legislative powers are vested in the States. However, our Constitution does not project this division of power into our international relations. There the Nation is one. The States are forbid-

den to make treaties, and the President and the Senate, acting by a two-thirds vote, speak for the Nation as a whole.

In the Senate the States are represented on a basis of sovereign equality designed to enable them

S. J. Res. 1, 84th Congress, 1st Session

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and other international agreements.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. A provision of a treaty or other international agreement which conflicts with this Constitution, or which is not made in pursuance thereof, shall not be the supreme law of the land nor be of any force or effect.

"SEC. 2. A treaty or other international agreement shall become effective as internal law in the United States only through legislation valid in the absence of international agreement.

"SEC. 3. On the question of advising and consenting to the ratification of a treaty, the vote shall be determined by yeas and nays, and the names of the persons voting for and against shall be entered on the Journal of the Senate.

"SEC. 4. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

to preserve their residual sovereignty (Federalist No. 62). Thus, 17 of the 48 States can prevent any treaty from exercising the powers reserved to the States.

The proposed amendment undoes that Constitutional concept of the Nation acting as a unit in relation to foreign affairs. It would make it impossible, in the absence of legislation by the Congress and by the 48 States, to conclude and make

effective many traditional types of treaties. These would include the treaties of friendship, commerce and navigation, which secure numerous and substantial benefits for our citizens abroad in return for a promise of the same treatment for foreign nationals in this country. They would include treaties on extradition, narcotics control, the right to inherit property, and the right to collect debts.

A survey of all treaties entered into by the United States since 1789 shows that approximately 30 percent of them could not have been concluded and effectuated under the Constitutional amendments now proposed in the absence of legislative action by all of the States, as well as by the Congress.

Section 2 would impair the historic prerogatives of the Senate by giving the House of Representatives a veto over many treaties. It may be recalled that the Constitutional Convention in 1787 rejected a proposal that "no treaty shall be binding on the United States which is not ratified by a law."

The present proposal goes far beyond that rejected by the Founding Fathers, for it would require State legislation as well as Federal legislation to make many types of treaties effective.

By applying not only to treaties but to other international agreements, section 2 would infringe the President's powers as Commander in Chief and in the conduct of our foreign relations. It speaks of agreements in terms of their being "effective as internal law." This phrase has no settled meaning. It might be construed to mean affecting the determination of issues in judicial or administrative proceedings.

In this sense most international agreements have some effect which our courts will recognize.

As Senators are well aware, the executive branch of the Government, in carrying on the Nation's business with foreign countries, negotiates and concludes numerous agreements and other arrangements that do not reach the dignity of treaties. Among these are military armistices and recognitions of foreign governments. All of these have legal effects which our courts recognize. If the proposed section 2 is to end that, then the President would be unable properly to conduct foreign relations. The President's powers in this respect would be shared by the Congress; it would become deeply involved in the impossible task of itself trying to manage the current conduct of foreign

affairs, and the traditional balance of powers between the executive and legislative branches of government would be impaired.

It should also be observed that section 2 invites substituting executive agreements for treaties. An executive agreement implemented by an act of Congress under this amendment would have the same effect as a treaty which requires a two-thirds vote in the Senate. This would give the Executive the option to use treaties or executive agreements.

Section 3

Section 3 in S. J. Res. 1 provides for a roll-call vote in the Senate on treaties. This seems a clearly desirable procedure to be followed in matters of such importance. The result, of course, may be obtained without resorting to Constitutional amendment. A change in the Senate rules will suffice. I understand proposals to this effect have been introduced in the Senate.

United Nations and ILO Treaties

Some of the support for proposals to amend the Constitution in regard to treaties and the conduct of foreign relations comes from those who fear the activities of the United Nations, particularly in relation to certain cultural, economic, humanitarian, and social matters.

The administration has felt that a number of these activities were not fit subjects for the treaty-making power and has acted accordingly. We have made clear that the United States will not sign or become a party to the covenants on human rights, the convention on the political rights of women, and certain other proposed multilateral agreements.

Two years ago, I said to the Committee: ²

This administration is committed to the exercise of the treatymaking power only within traditional limits. By "traditional" I do not mean to imply that the boundary between domestic and international concerns is rigid and fixed for all time. I do mean that treaties are contracts with foreign governments designed to promote the interests of our Nation by securing action by others in a way deemed advantageous to us. I do not believe that treaties should, or lawfully can, be used as a device to circumvent the Constitutional procedures established in relation to what are essentially matters of domestic concern.

The policies expressed in that statement have

² BULLETIN of Apr. 20, 1953, p. 592.

been incorporated in a Department of State order known as Circular 25. I believe that it reflects a pattern which will be followed by the executive branch of government and enforced, if need be, by judicial determination that, under our system, "treaties" are contracts between nations in their corporate capacity and not means for writing domestic law.

In order that the problem may be seen in proper perspective, some statistics may be useful.

Since the establishment of the United Nations nearly 10 years ago, a total of 14 treaties have been formulated by United Nations organs and committees and opened for signature or acceptance. The United States has signed 6 and ratified 4 of these 14 treaties. One of the four relates to the control of drugs. The three remaining treaties are concerned only with the transfer to the United Nations of procedural functions under prior treaties on narcotic drugs, suppression of the white slave traffic, and suppression of the circulation of obscene publications.

Some fears have been expressed regarding conventions drafted by the International Labor Organization. It may be of interest to record that, in the 21 years while the United States has been a member of the International Labor Organization, this country has become a party to only five conventions that have been formulated by that Organization. Four of these five conventions relate to maritime subjects and are limited in their application to matters entirely within the authority of the Federal Government. The other convention relates to the discharge by the United Nations of secretarial functions entrusted by earlier conventions to the League of Nations.

Conclusion

Two years ago, in appearing before this Committee, I sought to analyze the significance of the treaty power and the President's traditional authority in the field of foreign affairs in relation to the world situation facing the United States. What I said then applies equally now. My statement was:

Today about 50 free countries, representing approximately two-thirds of the peoples and natural resources of the world, face a grave threat. That threat comes from a single totalitarian dictatorship which rules one-third of the peoples and natural resources of the world. This single despotic power has enormous advantages, unless the free nations can work together. This cooper-

ation of the free cannot be achieved by imposed unity. It must be achieved largely through treaties and executive agreements which will coordinate the military and economic strength of the free world and promote friendly cooperation and understanding. The ability of the United States to use treaties and agreements to effect this result can become a matter of national survival.

We need national power to make treaties with our potential enemies in order to mitigate our dangers and to ease our burdens through measures which would effectively control armaments. Such treaties do not now seem likely, but their possibility should not be excluded.

If we should be attacked and, unhappily, there should be war, the President as Commander in Chief would need the power through executive agreements to achieve unity of purpose and of action with our allies. And when victory was won, we would need national power to make treaties of peace which would heal the wounds of war.

Such considerations show the unwisdom of adopting Constitutional amendments which weaken the capacity of the United States to act with unity and certainty in its dealings with other nations. That capacity has been a strong bulwark in the past, and it is needed for the future.

I do not question the sincerity of those who fear that our Constitution might hereafter fail us. But I cannot believe that those fears have sufficient basis to justify those provisions of the proposed amendment which would mean reverting to a situation comparable to that which existed under the Articles of Confederation. That situation was found intolerable at that time when there were only 13 States and when we enjoyed what George Washington referred to as a "detached and distant situation." Today we are 48 States, and our Nation is no longer "detached" or "distant" from either the friendly or the hostile forces of the world. More than ever we need national power to deal quickly, authoritatively, and unitedly with these forces.

Our Constitution was designed "to form a more perfect Union." Let us not bring imperfection to that Union.

State Department Budget for 1956

*Statement by Secretary Dulles*¹

I am grateful for the opportunity that you are giving me to talk with you about some of our budgetary needs. I shall be very frank with you. I feel that in some way we failed to make these

¹ Made before the Senate Appropriations Committee on Apr. 26 (press release 232).

compelling needs sufficiently clear in our appearances before the parallel committee in the House. Unless the State Department and the Foreign Service have sufficient funds at their disposal, we shall not be able to carry on effectively, and the American people will be the losers.

It has been truly said that the members of the Foreign Service and the Department of State are the shock troops of the cold war. Last October at the Department of State Honor Awards Ceremony, President Eisenhower reminded us that "the soldier can no longer regain a peace that is usable to the world" and stressed the part the Department of State and the Foreign Service play in working for a peace for which "there is no longer any alternative."

In a shooting war the greatest tragedy of all is the failure to supply the troops on the firing line with sufficient ammunition. All the courage in the world cannot win a battle without shells and cartridges. If the present Department of State budget is cut to the bone—and into the bone—as proposed by the House, we are in effect failing to get the ammunition to the troops. We are increasing the chances that the cold war will become a hot war. I am confident that no one wishes that tragedy.

Last year a Public Committee of distinguished American citizens, selected on a nonpartisan basis from various walks of life, made to us certain recommendations with respect to the measures which, in their opinion, should be taken to assure an adequate Foreign Service.² We have accepted the recommendations of the Wriston Committee and have instituted a number of programs for the purpose of implementing them. We are, for instance, striving to effect so far as possible and practicable an integration of the various categories of officers in the State Department and in the Foreign Service into a single Foreign Service Officer Corps. Such a program when completed should give us a corps of Foreign Service officers experienced both at home and abroad in the conduct of foreign affairs and prepared to serve at any place in the world where needed.

We are also endeavoring to carry out a program

² *Toward a Stronger Foreign Service: Report of the Secretary of State's Public Committee on Personnel, June 1954*, Department of State publication 5458. For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., 30 cents.

for recruiting, at the bottom of the Foreign Service, the most able young men and women in the country, who, we hope, through training and experience will hold the top diplomatic, consular, and Departmental positions of the future. We have also prepared, in accordance with the recommendations of the Wriston Committee, plans for giving the officers of the Department of State and the Foreign Service better opportunities for training. We hope to raise their language qualifications; to deepen their knowledge of American internal political and economic problems; to give them a more profound understanding of world economic and financial problems; and to keep them abreast of those current international developments which introduce new factors into the conduct of our foreign affairs. With this in mind, we hope to take steps to strengthen the Foreign Service Institute and also to give training to Departmental and Foreign Service personnel while on duty at their posts. We have other plans which, if carried out, will reduce some of the hardships and worries, particularly those of a financial character, which beset many of our people in the Foreign Service and which of necessity detract from their performance. In other words, I consider it to be my duty during my tenure as Secretary of State to contribute to the building up of a State Department and of a Foreign Service on a nonpartisan basis which will do great credit to the American people and will strengthen the hands of those of us who are working in the foreign field as well as the hands of our successors.

The budget which we submitted to Congress was designed to carry out some of the objectives to which I have referred. It was, in my opinion, a most modest—perhaps an overmodest—budget. In fact, it represented less than one-fourth of one percent of the total Federal budget presented to Congress for the coming year. I recognize that extravagance does not promote efficiency. But there is no extravagance in what we seek—on the contrary, our budget as submitted is austere.

In the present complicated and dangerous world situation we are presented almost hourly, from all corners of the globe, with problems of a most delicate character to which prompt answers must be found. The responsibilities which rest on those who must assist in finding these answers are very great, and this is a state of affairs which is likely to continue for many years. I seek therefore your cooperation in making sure that the State Depart-

ment and the Foreign Service now and in the future be manned with personnel of unquestionable patriotism and integrity, trained in work in the foreign field and provided with the means and facilities necessary for the execution of the tasks assigned them.

I urge the reinstatement in the State Department budget for 1956 of all the reductions made by the House. I shall not endeavor to go into detail as to what effect these reductions would have. I should like to stress, however, that the reduction of salaries and expenses by an amount of over \$5 million would undermine the programs for recruitment and training. It would also block many of our efforts to bring about improvements in the State Department and the Foreign Service. It would reduce our training program by approximately one-half. It would handicap us in our efforts to meet the needs of American businessmen for assistance in their attempts to increase their activities abroad. It would mean that the bulk of our personnel serving overseas would not be able to return on leave to the United States once every 2 years. We should continue to witness an unhappy spectacle: personnel in the employ of the State Department abroad because of lack of funds are not able to take leave due them by law, while employees of other American governmental organizations abroad are able regularly to take such leave.

I note that the House has also reduced our requests for operational allowances from \$700,000 to \$475,000. In terms of our general budget these savings are slight. Yet the loss of the \$225,000 can have a far-reaching effect upon the very character of our Foreign Service. Representation is an essential part of the conduct of our foreign relations. Do we want a Foreign Service the most important posts of which can be held only by men of private means, whether or not they are best suited for the job? Or, do we desire a Foreign Service in which the best can serve regardless of their private financial position? If we are to have a truly democratic Foreign Service, we must be prepared to provide our officers with adequate operational allowances in order to enable them to do the amount of entertaining which their position demands of them as well as to engage in other activities of a representational character. Our key officers cannot, on their present salaries, engage in activities necessary for the maintenance

of friendly contact and for the successful carrying out of their work.

I would emphasize also the growing importance of international conferences in the conduct of foreign affairs today. On several occasions during the past year, it has been necessary for me to meet with the Foreign Ministers of other nations in our efforts to arrive at peaceful settlement of various international problems. I refer to such meetings as the Berlin and Geneva Conferences, the nine-power meeting in London and Paris, and the Manila Pact Council session in Bangkok. Decisions to convene such meetings come too late for specific budget planning in the annual appropriation request, and we have been faced with serious problems in financing our participation.

I am particularly concerned at the decision of the House to reduce our funds for the acquisition of buildings abroad from \$9.6 million to \$7 million. I understand that, if we were to launch at once a program for the purpose of providing our embassies and consular offices abroad with the kind of working and living quarters which they should have, we would need \$75 million. We have limited our request to \$9,200,000. The House has allowed us only \$7 million, of which amount it is suggested that only \$750,000 be in dollars and the remainder in foreign currencies owned by the United States abroad. If the decision of the House should stand, we should be compelled to drop some of our major building programs and would be handicapped in carrying out the remaining programs.

If the reductions approved by the House are also approved by the Senate, not only should we meet frustration in our efforts to effect improvements in the State Department and the Foreign Service, but we should also be handicapped in other fields in our attempts to strengthen the international position of the United States. For instance, the reduction of the amount requested by the Department for the International Educational Exchange Program from \$22 million, if permitted to stand, could play havoc with a program which is doing much and can do even more in the future to bring about a deeper understanding in foreign countries of the United States, the American people, and our internal and foreign policies. Our exchange program is not a luxury in today's world. It is, in my opinion, one of the most necessary components of our national security. It is in our

interest to intensify and improve the quality of exchanges. If we are to do so, we should have the funds requested.

The fact that I have not mentioned some of the other reductions individually should not be interpreted as an indication of my lack of interest in the items affected. Our budget was prepared after careful study. Every request contained in it was based upon our demonstrated needs. Never before in history has any nation had such farflung interests. Every one of our missions has a vital task. There are no "easy" posts. To man and operate these posts adequately, even frugally, requires the funds for which we ask.

Current Treaty Actions

MULTILATERAL

Germany

Protocol on the termination of the occupation regime in the Federal Republic of Germany, with five schedules and related letters. Signed at Paris October 23, 1954.

Ratifications deposited: France, May 5, 1955; United Kingdom of Great Britain and Northern Ireland, May 5, 1955.

*Entered into force:*¹ May 5, 1955, for the United States, France, the Federal Republic of Germany, and the United Kingdom of Great Britain and Northern Ireland.

Tripartite agreement on the exercise of retained rights in Germany. Signed at Paris October 23, 1954.

*Entered into force:*¹ May 5, 1955, for the United States, France, and the United Kingdom of Great Britain and Northern Ireland.

Convention on the presence of foreign forces in the Federal Republic of Germany. Signed at Paris October 23, 1954.

Ratifications deposited: France, May 5, 1955; United Kingdom of Great Britain and Northern Ireland, May 5, 1955.

*Entered into force:*¹ May 6, 1955, for the United States, France, the Federal Republic of Germany, and the United Kingdom of Great Britain and Northern Ireland.

North Atlantic Treaty

Protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany. Signed at Paris October 23, 1954.

Acceptances deposited: Canada, April 29, 1955; Netherlands, April 30, 1955; Luxembourg, May 3, 1955;

¹ For entry into force provisions, see BULLETIN of Nov. 15, 1954, p. 751.

France, May 5, 1955; United Kingdom of Great Britain and Northern Ireland, May 5, 1955.

*Entered into force:*¹ May 5, 1955, for the United States, Belgium, Canada, Denmark, France, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey, and the United Kingdom of Great Britain and Northern Ireland. (On behalf of all parties to the Protocol, on May 6, 1955, the United States communicated to the Federal Republic of Germany an invitation to accede to the North Atlantic Treaty.)

North Atlantic Treaty. Signed at Washington, April 4, 1949. Entered into force August 24, 1949. TIAS 1964.

Accession deposited: Federal Republic of Germany, May 6, 1955.

Postal Matters

Universal postal convention, with final protocol, annex, regulations of execution, and provisions regarding air mail and final protocol thereto. Signed at Brussels July 11, 1952. Entered into force July 1, 1953. TIAS 2800.

Ratification deposited (with reservation): Argentina, March 16, 1955.

BILATERAL

Haiti

Agreement extending the agreement providing for a cooperative agriculture program dated September 18 and 27, 1950 (TIAS 2154). Effected by exchange of notes at Port-au-Prince January 28 and February 3, 1955. *Entered into force:* March 24, 1955 (date of signature of an operational extension agreement).

Israel

Agreement relating to surplus agricultural commodities. Signed at Washington April 29, 1955. Entered into force April 29, 1955.

Nicaragua

Agreement extending and supplementing agreement for a cooperative education program dated January 31, 1951 (TIAS 2200), as amended. Signed at Managua April 27, 1955. Entered into force April 27, 1955.

Agreement extending and supplementing agreement for a cooperative health program dated January 31, 1951 (TIAS 2199), as amended. Signed at Managua April 27, 1955. Entered into force April 27, 1955.

Spain

Agreement relating to surplus agricultural commodities. Effected by exchange of notes at Madrid April 20, 1955. Entered into force April 20, 1955.

Turkey

Understandings relating to the agreement of November 15, 1954 (TIAS 3179) for the exchange of commodities and the sale of grain. Effected by exchange of notes at Washington April 28, 1955. Entered into force April 28, 1955.

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No.	Date	Subject
237	5/2	Murphy: "Fundamentals of Collective Security."
238	5/2	Dulles: statement on S. J. Res. 1.
†239	5/5	Dulles: statement on mutual security.
†240	5/4	Henderson: Foreign Service.
241	5/5	Poland credentials (rewrite).
242	5/5	Honduras credentials (rewrite).
†243	5/5	Murphy: "Our Policies in Asia."
†244	5/6	Libya credentials (rewrite).
245	5/6	Germany credentials.
246	5/6	Dulles, Krekeler: German accession to NATO.
247	5/6	Dulles: statement on leaving for Paris.
248	5/6	Commodities agreement with Finland.
*249	5/6	Dulles: VE-Day anniversary.
*250	5/8	Death of Ambassador Flack.

*Not printed.

†Held for a later issue of the BULLETIN.



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